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The Royal Commission
on
Metropolitan Toronto

**A Financial Profile
of Metropolitan
Toronto
and its Constituent
Municipalities,
1967 - 1973**

Background Report

THE ROYAL COMMISSION ON METROPOLITAN TORONTO


A FINANCIAL PROFILE

OF

METROPOLITAN TORONTO AND ITS CONSTITUENT MUNICIPALITIES

FROM 1967 TO 1973

APRIL 2, 1975



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PREFACE

This study is one in a series of background reports prepared for The Royal Commission on Metropolitan Toronto, and designed to provide the public with an appreciation of Metropolitan Toronto and its government, prior to and during the public hearings. A full listing of the background studies appears on the inside back cover of this document.

Any opinions or views expressed herein are those of the consultants and are not necessarily shared by the Commission.

The data presented in the report are for the years 1967 to 1973 because Metropolitan Toronto was reorganized in 1967 and the latest audited financial data available for the municipalities is for 1973. It is now apparent that expenditures increased in 1974 and will increase further in 1975. Audited financial data for 1974 and spending estimates for 1975 will be available in mid-1975.



THE ROYAL COMMISSION ON METROPOLITAN TORONTO
A FINANCIAL PROFILE
METROPOLITAN TORONTO AND ITS CONSTITUENT MUNICIPALITIES
FROM 1967 TO 1973

A historical analysis of municipal revenue and expenditure patterns, assessments, mill rates and capital programmes, including those of the various boards and commissions

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Toronto Transit Commission

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FINANCIAL PROFILE

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SUMMARY

This report is a comprehensive overview of the state of public finance in Metropolitan Toronto and its constituent municipalities. While the source material of this report was obtained from annual reports of the municipalities and school boards, it has been compiled in this report in a comparative manner, by municipality and by years, which was not previously available anywhere. It is hoped that by this type of analysis the reader will reach a better understanding of what has occurred in municipal finance since 1967 when the last major restructuring of Metropolitan Toronto took place.

This summary is a short review of each chapter, but it is important for a satisfactory understanding of the report for the reader to examine the comments and schedules in detail. The schedules have been prepared in a manner which should be readily understood. They are prepared from accounting reports for the sake of consistency.

The chapters of the report are arranged in a manner to enable the reader to obtain an understanding of the basic municipal data such as population, assessment and mill rates before considering the financial implications of capital spending, debt, revenue and operating expenditures. The report deals with the financial data of the municipalities, the school boards, the Toronto Transit Commission and the many special purpose bodies which report to the Municipal Councils.

Most of the data presented in the tables and charts in the report are for the years 1967 to 1973. The period was chosen because Metropolitan Toronto was re-organized to its present state in 1967 and the latest audited financial data available for Metropolitan Toronto and the area municipalities is 1973. It is now apparent that expenditure growth has further accelerated in 1974 and 1975 although precise audited figures are not yet available.

The main overriding fact to emerge is that assessment growth, the traditional source of increased municipal revenue, is not keeping pace with the rate of increase of municipal expenditures.

Assessment increased at an average annual rate of only 3.8% from 1967 to 1973 while municipal expenditures increased at an average rate of 8.5% in the same period. Tremendous increases in provincial grants kept the annual mill rate increases within reasonable limits during these years.

There are many bases for comparison of municipalities but for purposes of a financial profile the two main ones are assessed population and assessment. The assessed population and assessment data used in this report are as reported in the annual reports of the area municipalities.

Assessment is the fixing of values of properties for taxation, and the determination of what property is liable for taxation and who is liable to pay. The assessment presently used in Metropolitan Toronto is based on a reassessment carried out in 1954 and 1955. The Province of Ontario took over the assessment function from the municipalities in 1970 with the intention of carrying out a reassessment at market value. Market value assessment will have serious implications for the property taxpayers of Metropolitan Toronto. Along with the introduction of market value assessment will be ability to reassess properties annually so that their property tax base will remain equitable with changing market conditions.

There are three main categories of properties under the Assessment Act: (1) residential and farm (2) commercial and industrial and (3) exempt. The area municipalities use the first two categories as the assessment base upon which each year's rates of taxation for general purposes are set. They are used in this report as a basis of comparison.

The major growth in assessment from 1967 to 1973 occurred in the outer boroughs: Etobicoke, North York and Scarborough mainly because of room for expansion. North York and Scarborough still have vacant land for expansion to continue their assessment growth while the remainder of the municipalities are almost completely built up. The older municipalities are then left with redevelopment as the only source of new assessment.

Comparison of the growth rate of assessment and the growth rate of taxation (revenue) requirements indicate disparity which can only be met by increased taxes, increased provincial grants or other sources of revenue. The disparity between the rate of growth of assessment and the rate of growth of municipal expenditures clearly indicates a squeeze on the property tax base. Increasing the dollar value of the property tax base through reassessment does not change the taxpayers' ability to pay.

III

The ratio of commercial/industrial assessment to residential assessment or to the total taxable assessment is an important indication of the tax burden of the residential property taxpayer. Most municipalities strive for a balance between the two types of assessment to help ease the burden on the residential property owner. In 1973 commercial/industrial assessment was 42.8% of all taxable assessment in Metropolitan Toronto which is an excellent proportion compared to other urban municipalities in Ontario. The lowest percentages are in the two smallest boroughs, East York and York, representing a greater relative tax burden for the residential property taxpayers.

Exempt properties are those free from property taxes because of an exemption granted under the provincial Assessment Act. The assessed value of exempt properties has steadily increased from 13.4% to 19.4% of the total real property assessment between 1954 and 1973. Even though some owners of exempt properties pay grants in lieu of taxes this represents an increased burden on residential and commercial/industrial property taxpayers.

Per capita assessment is usually a good indication of the relative ability of municipalities to pay for services provided to the citizens. In Metropolitan Toronto there is a wide range of per capita assessments in the area municipalities. Per capita assessment in 1973 ranged from \$3,018 in the City of Toronto to \$2,053 in the Borough of Scarborough. However, in Metropolitan Toronto more than 73% of the taxes levied for general purposes and education go to the metropolitan level, leaving less than 27% at the local level. Services at the metropolitan level are supplied without regard to local boundaries. The metropolitan two tier style of organization has therefore reduced the significance of per capita assessment comparisons among the area municipalities.

The factors used to determine the taxes to be paid by a property owner are the assessed value of the property and the mill rate. In simple terms, a mill is a tenth of a cent and the mill rate is determined by dividing the total taxes to be raised (levied) by the total taxable assessment. The rate of taxation is then expressed in mills or tenths of a cent.

IV

Each of the area municipalities calculates a residential and a commercial/industrial mill rate. The mill rate is in general made up of three categories: one for general purposes at the local level, a second for general purposes at the Metro level and a third for educational purposes. The education mill rate is further broken down depending on whether the taxpayer is a public or separate school supporter.

The area municipalities are responsible for tax billing and tax collection. Each area municipality is required to levy against its taxpayers and pay over to the Metropolitan Corporation the levies for general purposes and education. It is interesting to note that in 1973 of all taxes levied 46.5% were for education, 26.6% for general purposes at the Metro level, 24.1% for general purposes at the local level and 2.8% were other charges.

Capital expenditures of the Corporation of Metropolitan Toronto increased from \$57.6 million in 1968 to \$106.2 million in 1973. Part of this capital expenditure is funded by the Corporation through issuing debentures. The most significant shift in the capital programme between 1968 and 1973 is the increased emphasis on rapid transit and the decreased capital expenditure on roads and expressways.

Capital expenditures in Toronto, East York and North York decreased between 1968 and 1973; increased slightly in Etobicoke and York and more than doubled in Scarborough. Total capital expenditures for Metropolitan Toronto and the area municipalities increased by 32.6% from 1968 to 1973.

Since January 1, 1954 no area municipality has had the power to issue debentures and Metropolitan Toronto has sole responsibility for issuing debentures for the area municipalities, the Toronto Transit Commission, the Metropolitan Toronto Library Board and the Metropolitan Toronto School Board, but excluding the Separate School Board.

The net debt to assessment ratio is an indication of the ability of a municipality to meet its current obligations and sustain more debt. At the end of 1973 the Metropolitan Corporation had a better debt position at 13.91% of assessment than it had at the end of 1967 at 15.91%. All capital expenditures of municipalities and the issuing of debentures by Metro is subject to approval by the Ontario Municipal Board.

Revenue collected by municipalities comes from two main sources, taxes and contributions from other governments. The remainder of the revenue comes from other sources such as rents, fines, licences and income from investments. In all of the municipalities in 1973 taxes represented over 80% of the general revenue. When viewed in terms of expenditures for both municipal and education purposes the tax levy covered only 58% of the total while government grants accounted for 31%.

Expenditures by the municipalities are classified and reported according to instructions issued by the Ontario Government. The major classifications are: general government; protection; public works; sanitation; health, social and family services; recreation and community services; community planning; financial and other.

A comparative analysis of the expenditure of the area municipalities and Metropolitan Toronto has some interesting contrasts which reflect the differing needs and priorities of the municipalities. A further analysis based on per capita expenditures and expenditures per \$1,000 of assessment gives an indication of the levels of service and the ability of each municipality to support the services.

The trends between 1968 and 1973 represent a shift from 'hard' services such as public works and sanitation to the 'soft' services such as protection, health services, social and family services and recreation and community services. Wage and salary increases will tend to increase the shift of municipal expenditures to the 'soft' services. As this trend increases it may become more difficult to justify raising the revenue to support these services from the property assessment base.

The Metropolitan Toronto School Board and the Boards of Education of the area municipalities are responsible for the elementary and secondary public schools. The Metropolitan Separate School Board is responsible for the Roman Catholic separate schools. The public schools are administered under a two tier system while the separate schools are administered under a single tier system.

One of the major functions of the Metropolitan Toronto School Board is to distribute the money available for public schools in Metro on an equitable basis to the Area Boards. This allocation is based on sixteen budget formulae developed by the Board. The formulae are designed to cover all aspects of spending by the Area Boards to ensure that educational needs are met equally throughout Metropolitan Toronto.

The two major factors influencing the expenditures of all the school boards are the provincial government spending ceilings and inflation. In 1974 salaries, wages and fringe benefits for instructional staff were 69% of the budget and all salaries, wages and fringe benefits were 87% of total expenditures for the Metropolitan School Board. Total costs of salaries, wages and fringe benefits and utilities were 89% of expenditures by the Separate School Board in 1974.

The Toronto Transit Commission is appointed by the Metropolitan Council and has exclusive powers to provide public transportation in Metropolitan Toronto. The Municipality of Metropolitan Toronto Act empowers the Metropolitan Corporation to contribute to the cost of operating the transportation system. Beginning in 1971 Metropolitan Toronto assumed responsibility for the T.T.C.'s operating deficit and the Province of Ontario has paid 50% of that deficit. In 1973 the deficit was \$17,866,000 and is expected to reach \$34,750,000 in 1974. The 1975 fare increase will hold the 1975 deficit to an estimated \$40 million.

T.T.C. revenue per mile increased by an average of 1.2% per year from 1967 to 1973 while expenditures increased by 6% per year. Wages, salaries and fringe benefits represented 73% of total expenditures in 1973 indicating the impact of labour costs on the rapidly accelerating expense of providing public transportation.

Metropolitan Toronto and the area municipalities all have several 'special purpose bodies' under their jurisdiction. The 'special purpose bodies' take the form of boards, authorities, commissions, companies and centres. The special purpose bodies, excepting Boards of Health, had gross expenditures in 1973 of over \$437 million of which almost \$125 million was paid by the municipalities in the form of grants or other transfer payments. In comparison, the municipalities had operating expenditures of \$568 million (including the \$125 million in grants and transfers) and over \$540 million was spent on education.

1. ASSESSED POPULATION

Population is usually taken as a basis for comparison of municipalities. Several sources of population data are available including Statistics Canada, the Assessment Division of the Ministry of Revenue and the municipalities. The population figures chosen for this report are the assessed population figures reported in the annual financial statements and auditor's reports for the municipalities as of December 31 each year. The population figures are reported to the municipalities at the end of the year by the Assessment Division and include all persons known to reside in the municipality. The data is obtained by an Annual Municipal Enumeration carried out in September by the province and updated monthly until year-end by the Assessment Division.

Table 1.1 shows the significant growth of North York and Scarborough since 1967. Each of these have increased as a proportion of the total Metropolitan Area population while the other municipalities have all decreased. Table 1.2 shows the assessed population of each area municipality for the years 1967 to 1973.

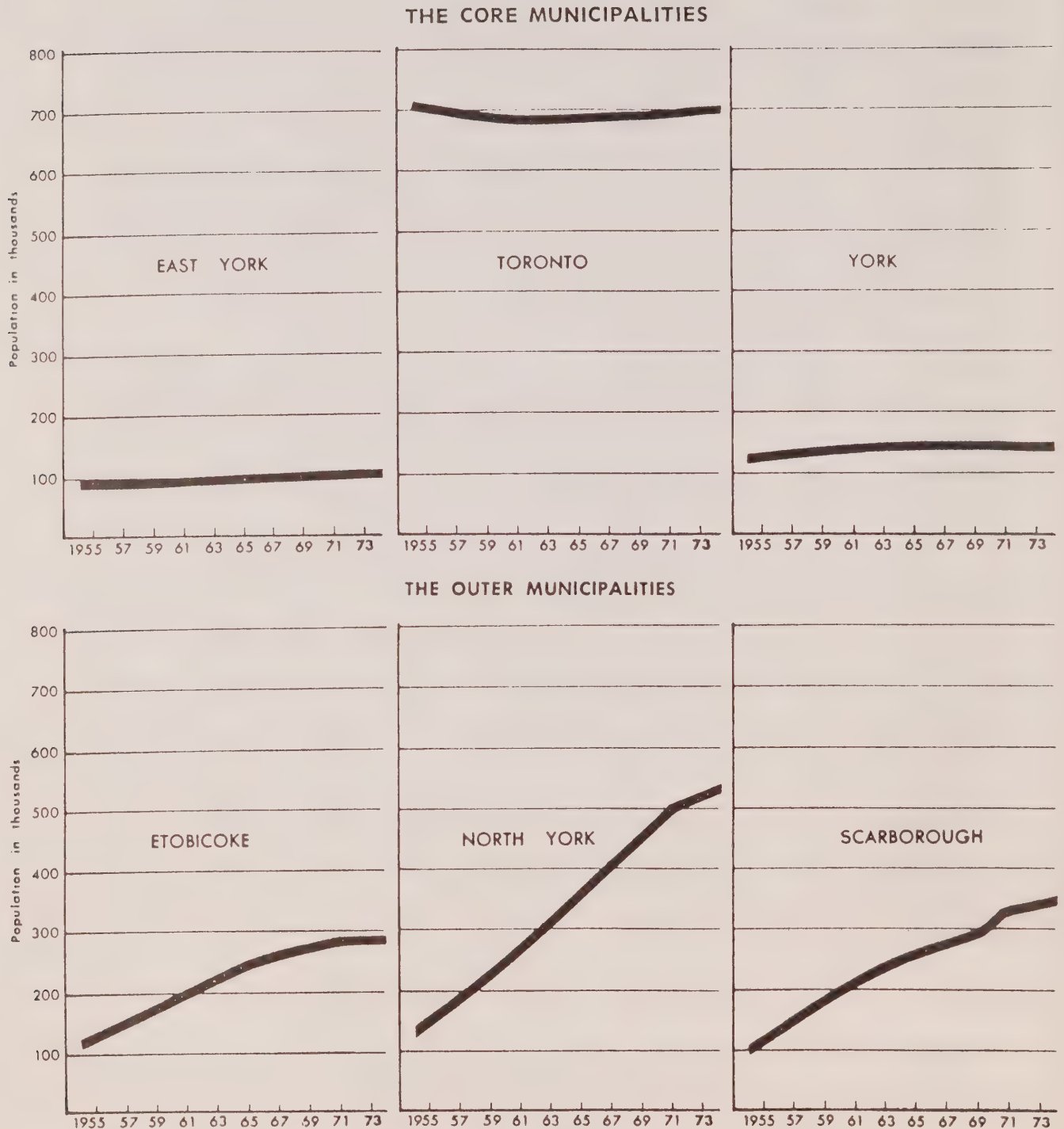
The following comparison of 1973 and 1967 highlights the changes:

	1973		1967		Percentage Change
	Population	Percent	Population	Percent	
Toronto	676,363	32.2%	685,313	36.5%	-1.3%
East York	105,340	5.0%	97,555	5.2%	8.0%
Etobicoke	286,106	13.6%	266,458	14.2%	7.4%
North York	527,564	25.1%	411,517	21.9%	28.2%
Scarborough	362,005	17.3%	275,632	14.7%	31.3%
York	<u>142,297</u>	<u>6.8%</u>	<u>141,562</u>	<u>7.5%</u>	.5%
Total Metropolitan Toronto	<u>2,099,675</u>	<u>100.0%</u>	<u>1,878,037</u>	<u>100.0%</u>	<u>11.0%</u>

Table 1.1

POPULATION GROWTH OF AREA MUNICIPALITIES
IN THE TORONTO METROPOLITAN AREA

(As determined by the Provincial Regional Assessment Office)



Source: Metropolitan Toronto Annual Report 1973

Chart 1.1

METROPOLITAN TORONTO

ASSESSED POPULATION

1967-1973

	1973 Percent	1973	1972	1971	1970	1969	1968	1967	1967 Percent
Toronto	32.2	676,363	692,486	690,484	688,803	684,595	685,655	685,313	36.5
East York	5.0	105,340	104,500	104,496	102,029	98,657	98,230	97,555	5.2
Etobicoke	13.6	286,106	290,962	281,476	277,015	268,710	268,008	266,458	14.2
North York	25.1	527,564	527,531	519,456	469,977	438,675	425,016	411,517	21.9
Scarborough	17.3	362,005	351,262	333,750	313,193	291,193	281,454	275,632	14.7
York	6.8	142,297	148,744	143,034	142,539	140,116	140,275	141,562	7.5
	100.0	2,099,675	2,115,485	2,072,696	1,993,556	1,921,946	1,898,638	1,878,037	100.0

Table 1.2

2. ASSESSMENT

Assessment is the fixing of values of properties for taxation, and the determination of what property is liable for taxation and who is liable to pay the taxes. On January 1, 1970, the Government of Ontario assumed responsibility for the assessment function from the municipalities. The objective of the province is to reassess all the real property on a uniform basis to eliminate the inequities which have accrued over the years under the old system. The present assessment in Metropolitan Toronto is based on a reassessment carried out in 1954 and 1955. However the municipalities of Metropolitan Toronto were at least consistent in their assessment practices, since this was a Metropolitan Toronto responsibility before its assumption by the province.

When the province took over the assessment function the assessed values were frozen until 1975 in most municipalities to allow time for reassessment to 'market value'. The freeze was subsequently extended to 1976 for taxation in 1977. In the past six years some municipalities have been reassessed at market value and these assessments are now in force. The Town of Mississauga was among the first to be reassessed in 1969 for taxation in 1970.

In every instance of market value reassessment there has been a marked shift in the ratio of commercial/industrial assessment to residential assessment. Apparently this is a combination of possible overassessment of commercial and industrial land assessed under previous methods, and increases in land market values of residential properties in excess of those on commercial and industrial properties. In addition there is an indication that apartments were overassessed under previous methods and show a relative reduction under market value assessment.

From experience it is clear that there will be some serious implications for Metropolitan Toronto when market value assessment is introduced, assuming no change in methods which have been used in other municipalities to date. These are summarized as follows:

1. An increased burden on the residential taxpayers of their share of taxation, particularly in the inter-municipal shift to municipalities which now have a high proportion of residential assessment. Under the present metropolitan form of government their share of the metropolitan levy will increase.

2. A significant increase to some taxpayers in the City of Toronto for residences now assessed under \$4,000 which receive partial exemptions from municipal taxation.

Residential assessments could increase as much as ten times present assessment values if market value assessment was introduced to-day. Ordinarily the mill rates would drop proportionately (from say 100 mills to 10 mills) and result in the same amount of tax. However if commercial and industrial assessment increases by less than ten times then obviously the tax burden will shift to the residential taxpayer.

The market value principle is defined basically as the 'amount the property might be expected to realize if sold in the open market by a willing seller to a willing buyer'. Theoretically then, the assessed value of each property shows the relative worth of each property in relation to each other and this follows a basic principle of taxation, that of being equitable.

However, the realities of the property market are not quite so simple. If the real estate markets were perfectly competitive the assessor's task would be made simple. The real property market is characterized by uniqueness in location, size, quality, style and ultimately how badly a person wishes to buy or sell depending on individual circumstances, including individual mortgage circumstances. The complexity of design and layout of commercial and industrial property is even greater and a limited market for these properties makes the assessment problem even more difficult. Forced sales are another problem complicating market value assessment.

Market value assessment methods have been accepted by the province and in theory appear more equitable than past practices. Practical problems appear to include those stated above as well as difficulty in updating the assessment rolls with annual changes, both up and down, in actual market values.

A basic principle of taxation is the rule of equity. Adequate laws to measure the tax base are essential to equality of taxes levied. In Ontario the Assessment Act, the Municipal Act and the School Boards Act are the principal laws covering municipal taxation.

The ability to reassess a property annually will permit the equality principle to be maintained and allow the assessment base to expand with inflation. The reassessed value does not, however, recognize the ability of the property owner to bear an increased tax load which is one of the factors which must be considered when setting rates of taxation.

In the early days of taxation, wealth or property was considered the most appropriate index of tax-paying capacity. Subsequently spending was the basic criteria (consumption taxes). Only with the increase in industrialization has income become widely regarded as the most appropriate index for tax-paying ability.

To-day many people enjoy good incomes, yet possess relatively little wealth while others may possess considerable wealth, in homes, farms and businesses, but have relatively little income. On balance no tax system can be considered equitable unless it rests on both ability to pay and benefits received.

From the basic principle of equity one proceeds naturally to the principle of benefits received and the principle of ability to pay. These principles are difficult to measure with precision. Public services should be allocated among individuals according to the additional benefit that each receives from that service. In practice this benefit cannot usually be measured directly. The federal and provincial income taxes are more directly related to ability to pay because of its progressive relationship to income earned. While the municipal property tax partly recognizes ability to pay by the wealth of assessed property, it is not progressive, nor related to available money to the extent those funds are tied up in property. In periods of rapid inflation the income tax system raises substantially more revenue due to its progressive rate, while the property tax suffers from the same rate and lack of ability to deduct tax at source before receipt by the individual.

2.1 ASSESSMENT CATEGORIES

There are three main categories of properties under the Assessment Act: (1) residential and farm (2) commercial and industrial and (3) exempt. Exempt properties, in general, are owned by government, education or religious bodies, or charitable institutions.

The area municipalities use the first two categories as the assessment base upon which each year's rates of taxation for general purposes are set. For this reason and as a common basis of comparison the assessment figures shown in table 2.1 are the total of residential and commercial/industrial assessments as reported in the annual financial statements and auditor's reports for each of the area municipalities. It should be noted that the municipalities obtain revenue from some of the exempt property owners in the form of grants in lieu of taxes or, as is the case with the telephone and telegraph companies, taxes based on a criterion other than property assessment. Municipalities also obtain additional revenue through supplementary assessment of properties added to the tax roll throughout the year under Section 43 or Section 44 of the Assessment Act. Supplementary assessments are as a result of improvements to properties usually due to new construction or additions to existing buildings.

METROPOLITAN TORONTO
TAXABLE ASSESSMENTS

1967 to 1973

(Expressed in thousands of dollars)

	1973		1972		1971		1970		1969		1968		1967		Increases 1967 to 1973		Six years average % yearly	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	%	%
Toronto	2,354,064	38.9	2,338,995	39.1	2,303,863	39.4	2,204,910	39.9	2,168,983	41.1	2,125,299	41.8	2,109,183	42.7	244,881	11.6	1.9	
East York	266,290	4.4	269,161	4.5	265,684	4.5	258,623	4.7	249,617	4.7	243,628	4.8	234,702	4.8	31,588	13.4	2.2	
Etonicce	935,871	15.5	931,450	15.6	903,431	15.4	848,555	15.4	813,840	15.4	784,677	15.5	758,780	15.4	177,091	23.3	3.9	
North York	1,453,493	24.0	1,411,263	23.6	1,371,533	23.5	1,256,297	22.8	1,147,772	21.8	1,074,893	21.1	1,006,935	20.4	446,558	44.3	7.4	
Scarborough	743,373	12.3	727,082	12.2	706,982	12.1	660,300	12.0	617,559	11.7	582,027	11.4	551,048	11.2	192,325	34.9	5.8	
York	297,043	4.9	297,854	5.0	297,658	5.1	289,250	5.2	281,758	5.3	277,099	5.4	270,380	5.5	26,663	9.9	1.7	
	6,050,134	100.0	5,975,805	100.0	5,849,151	100.0	5,517,935	100.0	5,279,529	100.0	5,087,623	100.0	4,931,028	100.0	1,119,106	22.9	3.8	

Table 2.1

The assessment for general purposes is the base upon which levies for the requirements of most services, coming under the jurisdiction of the Councils of the City, the Boroughs and Metropolitan Toronto, are made as well as those boards and commissions except boards of education. In the City of Toronto, for such general purposes, certain residential properties (single family homes assessed for \$4,000 or less)*are granted partial exemption from taxation, on a graduated scale. The assessed value of these partial exemptions was \$35,918,142 in 1972 out of a total assessment for general purposes on residential of \$1,023,979,677, equivalent to 3.5%. The partial exemption does not apply to levies for special purposes and school purposes.

The provincial Assessment Division has calculated equalization factors to allow comparison of assessments which have been based on different criteria or different 'market value' or 'actual value' conditions. Since all of the assessed values in the Metropolitan Toronto area are based on the same time frame and the same criteria this report uses actual assessments rather than 'equalized' assessments.

An analysis of taxable assessment (table 2.2) from 1967 to 1973 shows major growth was in North York, Scarborough and Etobicoke, with slower growth in York, Toronto and East York.

Percentage Average Annual Increase
in Taxable Assessment
1967 to 1973

Toronto	1.9%
East York	2.2%
Etobicoke	3.9%
North York	7.4%
Scarborough	5.8%
York	1.7%
Total in Metro	3.8%

Table 2.2

* Partial assessment was granted under a by-law passed by the City of Toronto in 1921 as permitted by the Assessment Act until changed in 1955.

As a percentage of the total assessment (table 2.3) in Metropolitan Toronto; York, East York and the City of Toronto have declined while North York, Scarborough and Etobicoke have grown.

Percentage of Taxable Assessment to Total
in Metropolitan Toronto

	1973 %	1967 %
Toronto	38.9	42.7
East York	4.4	4.8
Etobicoke	15.5	15.4
North York	24.0	20.4
Scarborough	12.3	11.2
York	<u>4.9</u>	<u>5.5</u>
Total	<u>100.0</u>	<u>100.0</u>

Table 2.3

North York and Scarborough still have open space to continue their assessment growth while the remainder of the municipalities are almost completely built up. This leaves the older municipalities with redevelopment as the only source of significant new assessment.

An interesting comparison is the annual average taxable assessment growth rate with the increase in the taxation requirements (after deducting provincial grants). Table 2.4 clearly indicates the squeeze on the property tax base as a source of revenue for the municipalities.

	Annual Average Taxable Assessment Growth Rate 1967 - 1973 %	Annual Average Taxation Requirements Growth Rate 1967 - 1973 %
Toronto	1.9	6.2
East York	2.2	7.2
Etobicoke	3.9	9.4
North York	7.4	12.1
Scarborough	5.8	11.4
York	1.7	6.1
Total in Metro	3.8	8.5

Table 2.4

Provincial grants have kept pace with increased municipal expenditures in Metropolitan Toronto, at least until 1973. Because of this and some assessment growth, the municipalities have been able to keep tax rate increases in the past six years within reasonable limits compared to increases in the cost of living as a result of inflation. Table 2.5 shows the low rate of average per annum increase.

Percentage Average Per Annum Increase
in the Tax Rates 1967 - 1973 (Residential)

	%
Toronto	2.3
East York	5.3
Etobicoke	3.7
North York	3.0
Scarborough	3.3
York	3.7

Table 2.5

3. COMMERCIAL/INDUSTRIAL ASSESSMENT

Taxes in 1973 represented over 80% of the revenue for general purposes for all the municipalities in Metropolitan Toronto and in some cases represented close to 90% of the revenue. The difference is due to varying levels of revenue from other sources such as provincial grants. Residential and commercial/industrial assessment is the base upon which the taxes are assessed and the ratio of commercial/industrial assessment to residential assessment is an indication of the tax burden borne by the residential property taxpayers. Most municipalities strive for a balance between the two assessment bases to help ease the burden on the residential property taxpayer.

Commercial/industrial property taxpayers also pay a business tax which is in addition to the property tax. The business tax is calculated as a percentage of the property tax depending on the type of business. The percentages are defined in the Provincial Assessment Act and are the same for all municipalities. In addition the commercial/industrial mill rate is set higher than the residential mill rate. Under the Regional Municipal Grants Act the final determination of residential and commercial/industrial mill rates must be made at the area municipality level. The residential rate for total general purposes (Metro and Local Area) is established at not less than 85% of the commercial/industrial rate.

Commercial/industrial assessment as a percentage of total assessment has risen only slightly since 1967 in all of Metropolitan Toronto, from 42% to 42.8% as shown in table 3.1. This is still an excellent balance of commercial/industrial to residential assessment compared to other Ontario municipalities. However, it is interesting to note that significant improvements in the balance have occurred in Etobicoke (from 39% to 43%), North York (from 29.2% to 33.6%) and Scarborough (from 32% to 35.3%) while East York and York have both shown a decrease since 1967. East York dropped from 32.1% commercial/industrial to 28.9%, while York dropped from 32% to 30.7%, representing a shift of the tax burden to the residential property taxpayers. Little change occurred in the ratio for the City of Toronto in this period.

METROPOLITAN TORONTO

ANALYSIS OF COMMERCIAL AND INDUSTRIAL ASSESSMENT COMPARED TO RESIDENTIAL ASSESSMENT
(expressed in thousands of dollars)

1967 AND 1974

	1973 Assessment for Taxation in 1974				1966 Assessment for Taxation in 1967			
	Residential \$	Commercial and Industrial \$	Total Taxable Assessment \$	Commercial and Industrial %	Residential \$	Commercial and Industrial \$	Total Taxable Assessment \$	Commercial and Industrial %
Toronto	1,091,650	1,302,397	2,394,047	54.4	964,917	1,146,086	2,111,003	54.3
East York	189,494	76,796	266,290	28.9	159,366	75,486	234,852	32.1
Etobicoke	554,012	423,323	977,335	43.0	462,697	296,083	758,780	39.0
North York	1,010,200	512,303	1,522,503	33.6	712,801	294,134	1,006,935	29.2
Scarborough	569,760	311,419	881,179	35.3	376,686	174,362	551,048	32.0
York	208,543	92,513	301,056	30.7	182,496	87,884	270,380	32.0
Total in Metro	3,623,659	2,718,751	6,342,410	42.8	2,858,963	2,074,035	4,932,998	42.0

- Note: 1. In 1973 telephone and telegraph properties came off the commercial assessment roll and were taxed on a revenue basis (5% of receipts) as a result of a change in the Assessment Act. This totalled approximately 100 million and would have increased the C & I ratio by almost 1% (to 43.7) in total.
2. This has been prepared from the 1974 estimates of each municipality and does not include estimated supplementary levy.

Table 3.1

4. EXEMPT PROPERTIES

The assessed value of properties in Metropolitan Toronto defined as exempt from taxation under the provincial Assessment Act has increased by \$340 million to \$1.4 billion since 1967. This now represents 19.4% of the total real property assessment compared to 13.5% in 1954, 16.9% in 1964 and 18.4% in 1967 (see table 4.1).

In 1967 the City of Toronto had 60.8% of the exempt property in Metropolitan Toronto and in 1973 had 56.5%. The next highest percentage of tax exempt properties is North York with 18% of the total.

The federal and provincial governments are exempt from property taxes as are some of the enterprises operated by them. The governments do, however, pay grants in lieu of taxes to the municipalities. The provincial government pays only the general rate while the federal government, provincial government enterprises and telephone and telegraph companies, in general, pay grants equivalent to the general and education rates. Many of the owners of exempt properties, such as religious organizations, do not pay any payments in lieu of taxes. This results in a low rate of revenue from exempt properties.

The revenue collected through grants in lieu of taxes represented less than 6% of total revenue in 1973 for the area municipalities as shown in the revenue analysis in chapter 10. The percentages ranged from a high of 5.58% in Scarborough, 4.78% in the City of Toronto to a low of .76% in York.

COMPARISON OF TAX EXEMPT ASSESSMENT TO REAL PROPERTY ASSESSMENT

1967 - 1973

(expressed in thousands of dollars)

	1973			1967		
	Real property assessment \$	Tax exempt assessment \$	Per cent of local real property assessment %	Per cent of total Metro exempt real property %	Real property assessment \$	Tax exempt assessment \$
Toronto	3,174,004	819,940	25.8	56.5	2,786,204	677,021
East York	295,278	28,988	9.8	2.0	259,032	24,330
Etobicoke	1,079,546	143,675	13.3	9.9	858,008	99,228
North York	1,716,757	263,264	15.3	18.1	1,184,721	177,786
Scarborough	891,811	148,438	16.6	10.2	649,569	98,521
York	<u>344,978</u>	<u>47,935</u>	<u>13.9</u>	<u>3.3</u>	<u>306,43</u>	<u>36,056</u>
Total	<u>7,502,374</u>	<u>1,452,240</u>	<u>19.4</u>	<u>100.0</u>	<u>6,043,970</u>	<u>1,112,942</u>

In 1964 exempt property as a percentage of real property was 16.9%

In 1954 exempt property as a percentage of real property was 13.5%

Table 4.1

5. PER CAPITA ASSESSMENT

A common expression in the municipal field is "people cause taxes, assessment pays taxes". Per capita assessment is usually a good indicator of the relative ability of municipalities to pay for the services provided for the citizens and therefore a good indicator of the level of services which can be provided. Table 5.1 shows a wide range of per capita assessment values for the Metro area, with the City of Toronto significantly higher than the other municipalities.

However, in Metropolitan Toronto 73% of the taxes levied go to the metropolitan level for general purposes and education, leaving only 27% at the local level. Services at the Metro level are supplied without regard to local boundaries. The metropolitan two tier style of organization has therefore reduced the significance of per capita assessment comparisons at the area municipality level.

Per Capita Assessment Increases

	1967 and 1973		1967 to 1973		Average Six Year Increase Percentage
	1973 Per Capita Assessment \$	1967 Per Capita Assessment \$	Increase in Per Capita Assessment Amount \$	%	
Toronto	3,495	3,018	477	15.8	2.6
East York	2,528	2,406	122	5.1	.8
Etobicoke	3,271	2,848	423	14.9	2.5
North York	2,755	2,447	308	12.6	2.1
Scarborough	2,053	1,999	54	2.7	.5
York	2,087	1,910	177	9.2	1.5
Total in Metro	2,881	2,625	256	9.8	1.6

Table 5.1

6. MILL RATES

The factors used to determine the taxes to be paid by a property owner are the assessed value of the property and the mill rate. In simple terms a mill is a tenth of a cent and the mill rate is determined by dividing the total taxes to be raised (levied) by the total taxable assessment. The rate of taxation is then expressed in mills. A mill rate of 101.25 is equivalent to \$101.25 in taxes for every \$1,000 of assessment. The residential and commercial/industrial mill rates for the area municipalities for 1967 to 1973 are shown in table 6.3.

Each of the area municipalities calculates a residential and a commercial/industrial mill rate. The mill rates are, in general, made up of three categories; one for general purposes at the local level, a second for general purposes at the Metro level and a third for education purposes. The education mill rate is further broken down into elementary and secondary. Public school supporters then pay education taxes based on the elementary and secondary mill rate. Separate school supporters pay education taxes based on the separate school mill rate and the secondary school rate. An additional two mills is included in the mill rate to help pay for construction of rapid transit lines. Area boards of education may levy a tax of up to one and one-half mills for public school purposes and one mill for secondary school purposes over and above those approved by the Metropolitan Toronto School Board.

Local councils may also levy local improvement or special charges on property owners for such services as sidewalks, sewers or water. Such charges are less common now, since they are usually paid in advance by a developer or the services are installed by the developer and included in the price of a house.

Table 6.4 shows a breakdown of the mill rates for each of the area municipalities for 1967 and 1973. Education was a smaller portion of the total mill rate in 1973 than 1967 while the general rates increased. Large provincial grants for education were a significant factor in this shift.

The education mill rates for each municipality are closer to one another in 1973 than they were in 1967 as shown in table 6.1 (residential public school rates are used for comparison).

	Education Mill Rates 1973	1967	Change (in mills)	Change %
Toronto	47.17	42.93	4.24	9.9
East York	47.87	40.85	7.02	17.2
Etobicoke	48.32	42.03	6.29	15.0
North York	48.57	44.35	4.22	9.5
Scarborough	48.91	43.18	5.73	13.3
York	47.60	41.69	5.91	14.2

Table 6.1

The greatest difference in 1967 was between East York and North York (3.50 mills or 8.5% higher in North York).

In 1973 the greatest difference was between the City of Toronto and Scarborough (1.74 mills or 3.7% higher in Scarborough).

The local general rates were as far apart in 1973 as they were in 1967 but in different municipalities as shown in table 6.2

	Local General Rates 1973	1967	Change (in mills)	Change %
Toronto	26.22	26.12	0.10	0.4
East York	22.13	12.35	9.78	79.2
Etobicoke	23.16	19.46	3.70	19.0
North York	19.93	17.45	2.48	14.2
Scarborough	28.62	24.33	4.29	17.6
York	33.17	25.24	7.93	31.4

Table 6.2

East York's local rate was 13.77 mills below the City of Toronto in 1967 but was only 4.09 mills lower in 1973. Low assessment growth in East York with substantial increases in fire protection expenditures and recreation and community service costs is the major reason for the increase in East York's mill rate.

York has now the highest local general rate at 33.17 mills, 13.24 mills higher than North York which has the lowest. As in East York low assessment growth with substantial increases in fire protection expenditure and recreation and community service costs appears to be the major reason for the high local general rate in York.

MILL RATES

1967 - 1973

	1973	1972	1971	1970	1969	1968	1967	Increase in six years	
								Total	Average P.A.
								Mills	%
Toronto									
Residential	101.25	105.15	100.20	104.56	95.85	93.00	88.60	12.65	14
Commercial and industrial	116.05	120.50	114.75	119.49	107.30	104.45	99.42	16.63	17
East York									
Residential	94.98	96.21	90.85	94.46	84.46	79.58	72.00	22.98	32
Commercial and industrial	108.64	109.97	103.80	109.37	98.21	94.75	88.20	20.44	23
Etobicoke									
Residential	97.81	99.88	95.15	99.97	89.81	87.00	80.27	17.54	22
Commercial and industrial	111.90	114.27	108.84	114.09	101.81	98.40	90.87	21.03	23
North York									
Residential	95.10	97.50	93.91	96.29	87.72	84.94	80.59	14.5	18
Commercial and industrial	108.70	111.50	107.39	109.72	99.82	97.18	92.09	16.6	18
Scarborough									
Residential	103.25	107.14	100.79	104.45	95.44	91.48	86.29	16.96	20
Commercial and industrial	118.63	123.92	115.92	119.59	106.58	102.60	96.94	21.69	22
York									
Residential	104.90	110.30	104.34	105.58	94.92	94.35	85.71	19.19	22
Commercial and industrial	120.26	126.57	119.70	121.06	105.60	104.83	95.23	25.03	26

Table 6.3

ANALYSIS OF MILL RATES - RESIDENTIAL PUBLIC

1973 and 1967

	1973			1967			Increase in six years		
	Mills	%		Mills	%		Mills	%	Average P.A. %
Toronto									
General rate	26.22	25.9		26.12	29.5		.10	.4	.07
Metropolitan rates									
General	27.84	27.5		19.53	22.0		8.31	42.5	7.1
Education	<u>47.19</u>	<u>46.6</u>		<u>42.95</u>	<u>48.5</u>		<u>4.24</u>	9.9	1.7
Total rates residential	101.25	100.0		88.60	100.0				
East York									
General rate	22.13	23.1		12.35	17.2		9.78	79.2	13.2
Metropolitan rates									
General	25.63	26.8		18.80	26.1		6.83	36.3	6.1
Education	<u>47.87</u>	<u>50.1</u>		<u>40.85</u>	<u>56.7</u>		7.02	17.2	2.9
Total rates residential	95.63	100.0		72.00	100.0				
Etobicoke									
General rate	23.16	23.7		19.46	24.2		3.70	19.0	3.2
Metropolitan rates									
General	26.33	26.9		18.78	23.4		7.55	40.2	6.7
Education	<u>48.32</u>	<u>49.4</u>		<u>42.03</u>	<u>52.4</u>		6.29	15.0	2.5
Total rates residential	97.81	100.0		80.27	100.0				
North York									
General rate	19.93	21.0		17.45	21.7		2.48	14.2	2.4
Metropolitan rates									
General	26.58	28.0		18.79	23.3		7.79	41.5	6.9
Education	<u>48.57</u>	<u>51.0</u>		<u>44.35</u>	<u>55.0</u>		4.22	9.5	1.6
Total rates residential	95.08	100.0		80.59	100.0				
Scarborough									
General rate	28.62	27.7		24.33	28.2		4.29	17.6	2.9
Metropolitan rates									
General	25.72	24.9		18.78	21.8		6.94	37.0	6.2
Education	<u>48.91</u>	<u>47.4</u>		<u>43.18</u>	<u>50.0</u>		5.73	13.3	2.2
Total rates residential	103.25	100.0		86.29	100.0				
York									
General rate	33.17	31.6		25.24	29.4		7.93	31.4	5.2
Metropolitan rates									
General	24.13	23.0		18.78	21.9		5.35	28.5	4.8
Education	<u>47.60</u>	<u>45.4</u>		<u>41.69</u>	<u>48.7</u>		5.91	14.2	2.4
Total rates residential	104.90	100.0		85.71	100.0				

7. METROPOLITAN AND LOCAL BUDGET PROCESS AND TAX LEVIES

There are two main types of expenditures at the municipal level, capital and operating. Each of these categories is treated as a separate budget. The operating budget is called the current budget in some municipalities, the general budget in others and the operating budget in others. Each department of the municipalities is required to prepare both a capital and operating budget each year.

The capital budget is an estimate of capital expenditures for a given period. The capital expenditures are those expenditures which result in the acquisition of fixed assets such as land, buildings roads, machinery or other equipment. Capital budgets are usually prepared for a five year period but only one year is approved at a time.

Capital projects are usually funded from a combination of one of the following sources: borrowing through a debenture issue, the general revenue fund or a provincial grant. The O. M. B. exercises control over the extent of borrowing of all Ontario municipalities. In the case of Metropolitan Toronto the debt of all the municipalities, the Metropolitan Toronto School Board and several boards and commissions is considered when further debenture issues are proposed.

The annual operating budget or current budget prepared by each municipality is an estimate of expenditure for operating the various departments and maintaining the property, plant and equipment of these departments. Development of the operating budget begins at the department or in some cases at the branch or section level. Included in the annual operating budget is expenditure required to pay the principal and interest charges on the municipal debt.

In some departments the estimating procedure can be quantified within reasonable limits but in others the estimates must be based on experience, economic forecasts and forecasts of growth in demand. For example it is relatively easy to quantify the requirements for garbage collection but it is much more difficult to predict the costs of snow removal or social services.

Other factors which influence the budget process include controls or directions from the province, conditional grants from the province, or changes in the level of service to citizens as directed by provincial legislation. Conditional grants from the province may direct spending priorities towards objectives which are different from those of the municipal council.

The estimates prepared by the departments are usually submitted to a finance committee or a budget committee for review prior to submission to council for final review and approval. In most municipalities the Treasurer's Department does a preliminary review and analysis of the department budgets prior to the approval by the council. The City of Toronto has a Department of Budgets and Accounts which does an analysis of the budgets.

Legally the final decision on the budgets must rest with council where the final spending priorities are set. In many cases the spending has been largely determined by influences outside the control of the council. These influences include provincial conditional grants, provincial legislation, money requirements of boards or commissions which legally must be met, money requests from other boards or commissions which must be met at least in part. On-going programmes which have been approved in previous years are a large part of most municipal budgets leaving the council with relatively little leeway in modifying the total operating budget. Once the operating budget has been set it is then possible to predict the revenue requirements and set a mill rate.

Table 7.1 is an analysis of the tax roll in each municipality showing that 73.1% of all taxes levied in 1973 were for the metropolitan level of government, 46.5% for school purposes and 26.6% for general purposes. In 1967 73.2% of all taxes were for the metropolitan level, 49.7% for school purposes and 23.5% for general purposes. The figures shown in table 7.1 are taxes levied but are not necessarily equal to the amounts of money paid over to Metropolitan Toronto in 1973 because supplementary taxes and tax writeoffs are not included.

Because these taxes were raised from each municipality on the basis of assessment this effectively means that the boundaries presently in existence in Metropolitan Toronto were of no significance financially for at least 73% of the taxes levied on Metropolitan Toronto taxpayers. In other words, local councils control less than 27% of the property taxes raised and spent in Metropolitan Toronto. School boards, on the other hand, spend almost half the money raised in Metro from property taxes.

The Metropolitan Toronto Council, the Metropolitan Toronto School Board and the Metropolitan Separate School Board each set a budget each year and determine the amount of money to be raised through taxation. None of them however issue tax bills or collect taxes. Each of them levy an amount against each area municipality which the area municipalities must include in their tax bills.

Each area municipality is required to levy against its taxpayers and pay over to the Metropolitan Corporation the levy for general purposes. Distribution of the general levy is on the basis of assessment. However the Regional Municipal Grants Act requires the Metropolitan Corporation to credit each area municipality with an amount that bears the same proportion to the total amount paid to the Metropolitan Corporation under the Act as the population of the area municipalities. Accordingly the general levy is distributed before deduction of the per capita grant, and then each municipality is credited with its share of the per capita grant on the basis of population in order to obtain the net levy upon each area municipality as shown in table 7.2. The assessment figures shown in table 7.2 differ from those discussed in chapter 2 because additional assessments are included in calculating distribution of the metropolitan levy. The result of the above procedure is differing mill rates for metropolitan general purposes in the area municipalities rather than a common mill rate. The calculation is also distorted by the fact that Metro does not receive grants in lieu of taxes and they are not considered in the allocation of the levy. Chart 7.1 shows distribution of the levy for 1973.

The Regional Municipal Grants Act came into force in 1970 and in 1973 amounted to \$13.00 per capita. The basic per capita grant was \$8.00 plus \$5.00 per capita for regional municipalities which maintained a police force.

In accordance with the Metropolitan Toronto Act, each area municipality is required to levy against its taxpayers and pay over to the Metropolitan Corporation which in turn pays over to the school board a proportion of the education levy as shown in table 7.3 and determined as follows:

- (a) In the case of the levy for public school purposes - an amount representing the proportion that the assessed value of property rateable for public school purposes in that municipality bore to the total assessed value of property rateable for public school purposes in the whole metropolitan area.
- (b) In the case of the levy for secondary school purposes - an amount representing the proportion that the assessed value of property rateable for secondary school purposes in that municipality bore to the total assessed value of property rateable for secondary school purposes in the whole metropolitan area.

The public school levy is distributed on an assessment lower than the secondary school levy, the difference being the property rateable for the requirements of Roman Catholic primary schools rather than public elementary schools. The varying proportion of property rateable for separate school support results in differing mill rates for public school purposes in the area municipalities. Property is rateable for public school support or separate school support depending upon the religion and wishes of the tenants or owners. Companies may support either the public or separate schools or both depending on the wishes of the shareholders.

The Metropolitan Corporation is also entitled to receive its proportion of supplementary taxes levied by area municipalities and is required to pay its share of all tax deficiencies. The figures shown in tables 7.2 and 7.3 are budgeted amounts not actual amounts for 1973.

Note: Portions of the foregoing have been extracted from the 1973 Annual Report of Commissioner of Finance of Metropolitan Toronto.

The residential tax bill issued to a public school supporter by an area municipality will then include portions of the metropolitan general levy, the public school levy, the secondary school levy, the local general levy and a levy to pay for construction of rapid transit lines. It may also include a special educational levy and local improvement charges.

The residential tax bill issued to a separate school supporter will be similar to the above except that a portion of the separate school levy will be charged rather than the public school levy.

Tax bills issued to businesses will be similar to the above except that a business tax will be included.

Table 7.4 shows the tax levies of the area municipalities for the years 1967 to 1973.

METROPOLITAN TORONTO

ANALYSIS OF TAX ROLL
(expressed in thousands of dollars)

1973

	City of Toronto	East York	Etobicoke	North York	Scarborough	York	Combined Totals
	\$	\$	\$	\$	\$	\$	\$
	%	%	%	%	%	%	%
General Municipal levy	69,680	25.4	22.9	31,823	20.6	10,516	163,432
Metropolitan levy							
General	74,056	27.0	26.5	42,524	27.5	7,647	180,221
Schools	122,924	44.9	48.6	75,939	49.2	14,777	315,202
Total Metro levy	196,980	71.9	75.1	118,463	76.7	22,424	495,423
Other charges	7,379	2.7	2.0	4,245	2.7	523	19,550
Total taxation revenues	274,039	100.0	100.0	154,531	100.0	33,463	678,405

1967

	General Municipal levy	Metropolitan levy	General	Schools	Total Metro levy	Other charges	Total taxation revenues
	\$	\$	\$	\$	\$	\$	\$
	%	%	%	%	%	%	%
General Municipal levy	58,459	28.9	18.9	15,068	22.9	18,425	113,765
Metropolitan levy							
General	46,927	23.2	25.3	16,309	24.7	21,586	106,877
Schools	96,333	47.7	53.3	34,030	51.7	47,474	225,781
Total Metro levy	143,260	70.9	78.6	50,339	76.4	69,060	332,658
Other charges	433	.2	2.5	489	.7	2,366	7,469
Total taxation revenues	202,152	100.0	100.0	65,896	100.0	89,851	453,892

Table 7.1

METROPOLITAN TORONTO

DISTRIBUTION OF GENERAL LEVY IN 1973

AFTER DEDUCTING REGIONAL GRANTS TO EACH MUNICIPALITY

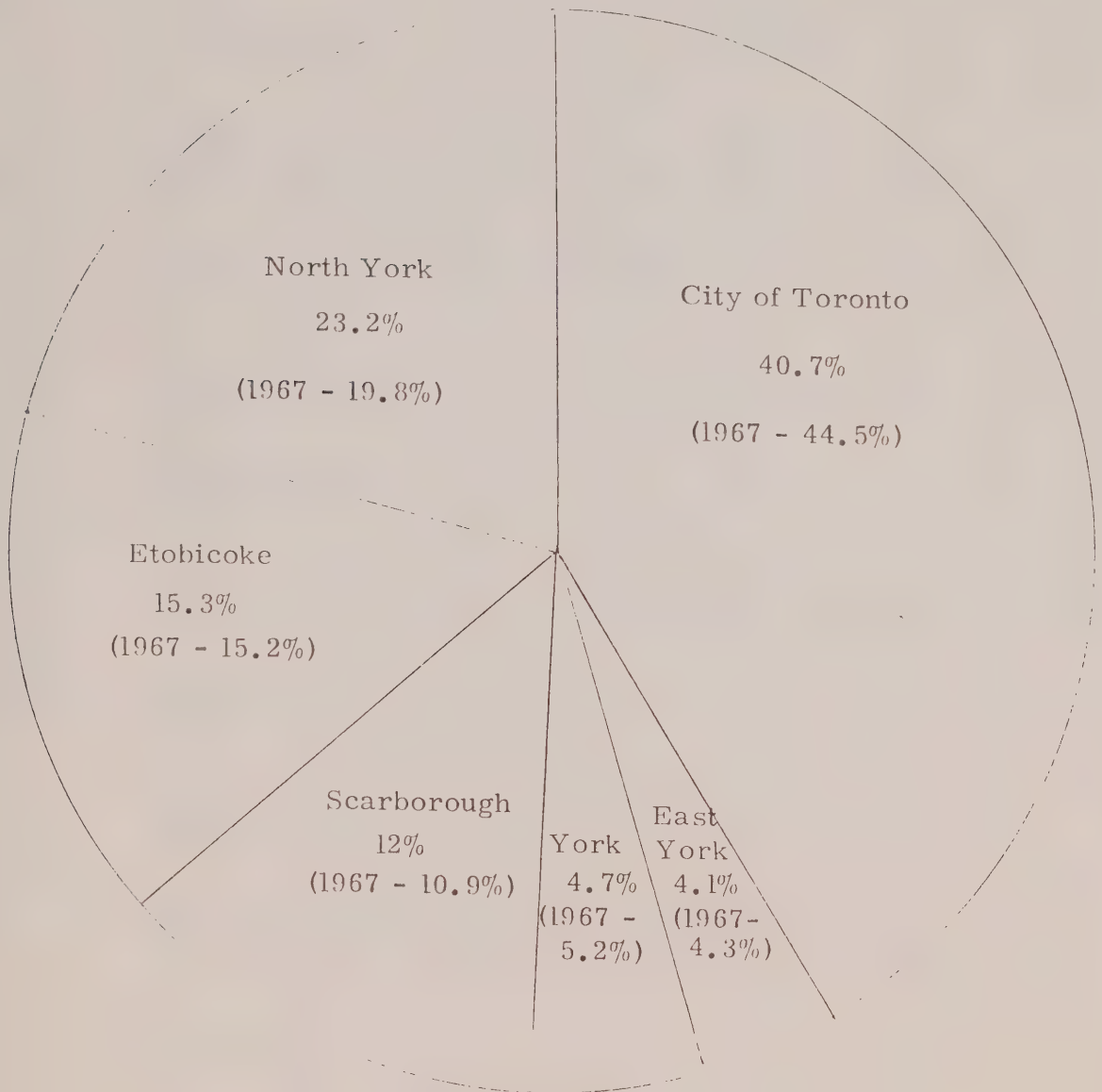


Chart 7.1

TAX DOLLAR DISTRIBUTION

ALL MUNICIPALITIES

1973

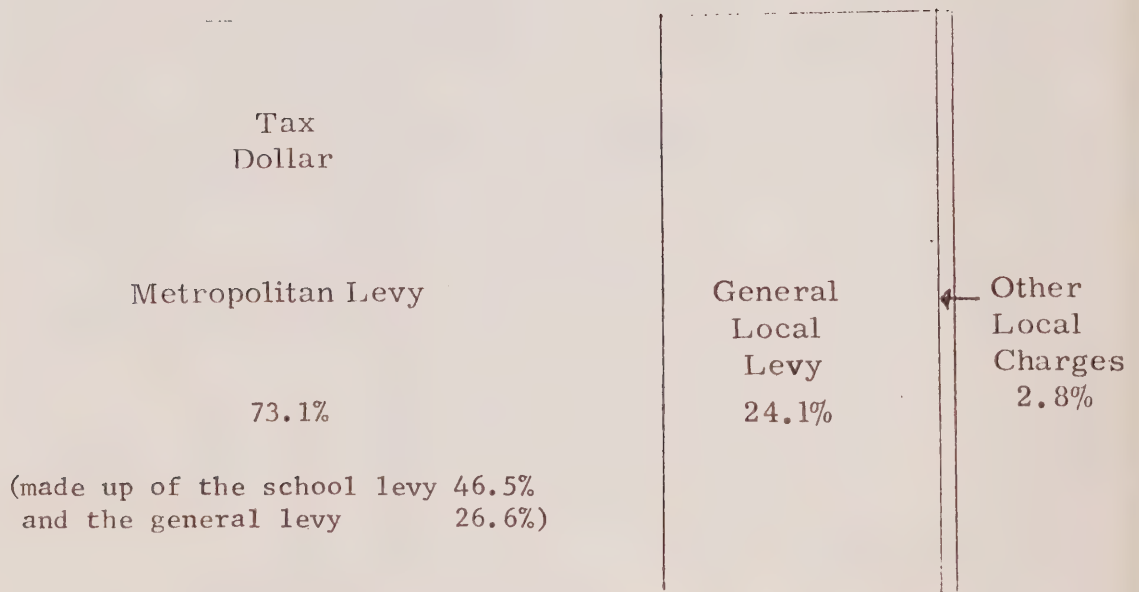
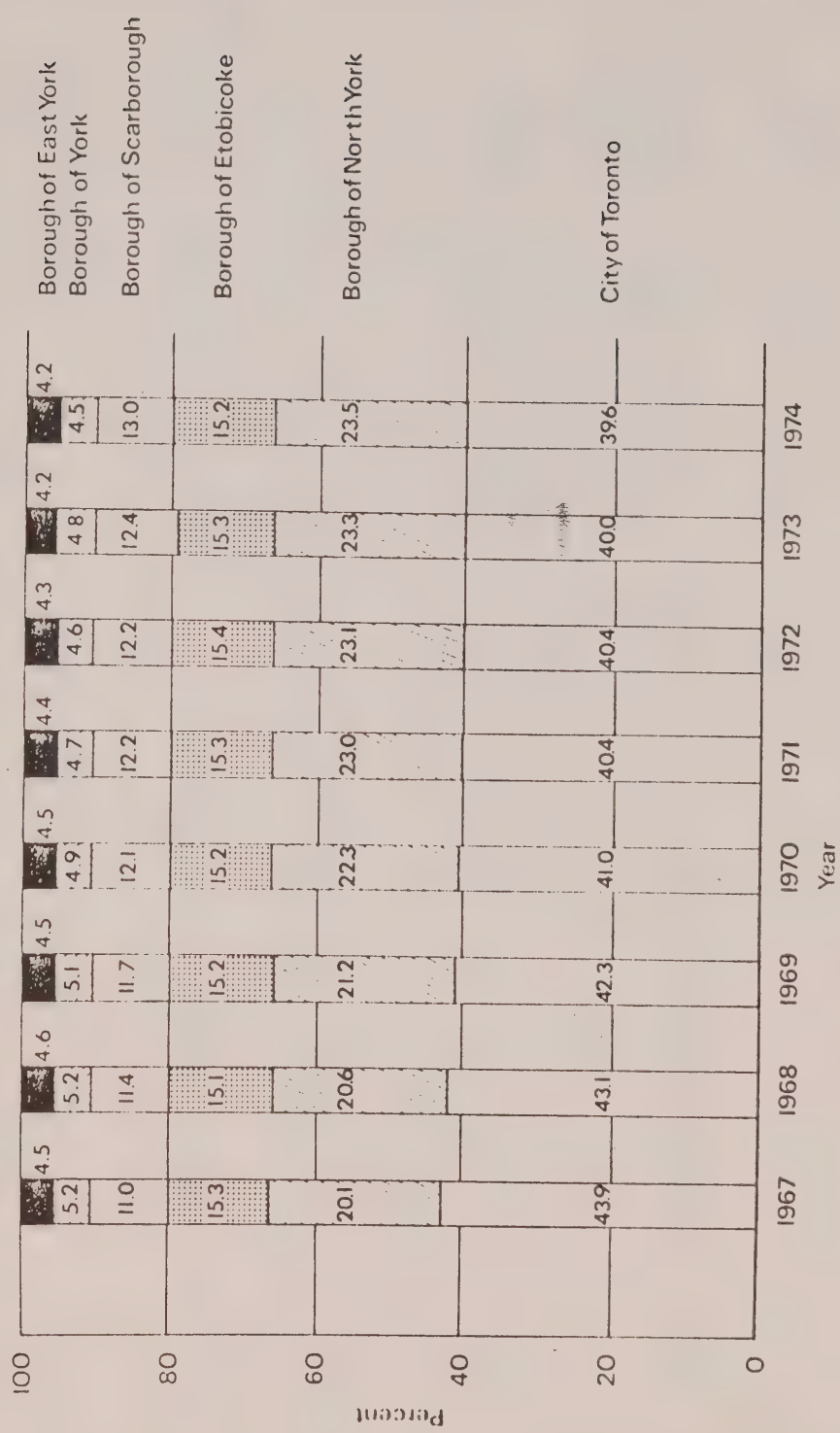


Chart 7.2

METROPOLITAN TORONTO — PERCENTAGE OF TOTAL GENERAL ANDEDUCATION LEVIES
PAID BY EACH AREA MUNICIPALITY, 1967-1974



Source: Metropolitan Toronto Annual Report 1973

Chart 7.3

DISTRIBUTION OF METROPOLITAN GENERAL LEVY - 1973
(expressed in thousands of dollars)

Area Municipality	Assessment		Levy		Approx. % of Total		Regional Grant		Net Levy		Approx. % of Total	
	\$	\$	\$	\$			\$	\$	\$	\$		
Toronto	2,593,698	81,152	39.85	9,376	71,776	40.67						
North York	1,517,482	47,479	23.31	6,488	40,991	23.22						
Etobicoke	980,266	30,671	15.06	3,668	27,003	15.30						
Scarborough	817,937	25,592	12.57	4,340	21,252	12.04						
York	326,829	10,226	5.02	1,919	8,307	4.71						
East York	272,570	8,528	4.19	1,352	7,176	4.06						
Totals	6,508,782	203,648	100.00	27,143	176,505	100.00						

Table 7.2

DISTRIBUTION OF METROPOLITAN EDUCATIONAL LEVY - 1973
(expressed in thousands of dollars)

Area Municipality	Public			Secondary			Total Educational Levy	
	Assessment \$	Levy \$	Approx. % of Total	Assessment \$	Levy \$	Approx. % of Total	Amount \$	Approx. % of Total
Toronto	2,307,581	66,835	40.07	2,486,024	50,116	39.28	116,951	39.73
North York	1,338,203	38,759	23.24	1,496,730	30,173	23.65	68,931	23.42
Etobicoke	875,518	25,358	15.20	971,908	19,593	15.35	44,950	15.27
Scarborough	728,448	21,098	12.65	799,511	16,117	12.63	37,215	12.64
York	258,614	7,490	4.49	302,356	6,095	4.78	13,585	4.61
East York	250,349	7,251	4.35	272,674	5,497	4.31	12,748	4.33
Totals	5,758,713	166,791	100.00	6,329,203	127,591	100.00	294,380	100.00

Table 7.3

TAX LEVIES

1967 - 1973

(expressed in thousands of dollars)

	1967 - 1973						Increases 1967 - 1973	
	1973	1972	1971	1970	1969	1968	1967	Average F.A. increase over six years
	\$	\$	\$	\$	\$	\$	\$	Per cent
Toronto	274,039	273,732	235,810	239,187	212,678	202,658	200,046	37.0
East York	27,738	27,446	22,722	23,796	21,258	19,940	19,361	43.3
Etobicoke	102,483	100,382	85,909	85,692	74,076	69,395	65,595	56.2
North York	154,532	148,819	125,708	122,212	102,973	93,580	89,504	72.7
Scarborough	86,152	85,207	70,562	68,831	58,983	53,395	51,085	68.6
York	<u>33,465</u>	<u>34,633</u>	<u>29,354</u>	<u>29,325</u>	<u>25,243</u>	<u>24,634</u>	<u>24,544</u>	<u>36.3</u>
Total	<u>678,409</u>	<u>670,219</u>	<u>570,065</u>	<u>569,043</u>	<u>495,211</u>	<u>463,602</u>	<u>450,135</u>	<u>50.7</u>
								<u>8.5</u>

Table 7.4

8. CAPITAL EXPENDITURES

Capital expenditures as defined for accounting purposes are expenditures which result in the acquisition of or addition to fixed assets. Fixed assets are assets of a long-term character which are intended to continue to be held or used, such as land, buildings, machinery, furniture or other equipment. All capital projects are subject to approval by the Ontario Municipal Board.

Capital expenditures of the Corporation of Metropolitan Toronto increased from \$57.6 million in 1968 to \$106.2 million in 1973, an increase of 84.5%. Contributions from other governments, the revenue fund and other sources reduced the net capital expenditure to \$38.8 million in 1968 and \$56.1 million in 1973, an increase of 44.4%. Most of the net capital expenditure is funded by the Corporation through issuing debentures. The principal and interest on the debenture are paid as an expenditure out of current revenue until the debenture is paid off. These annual expenditures are charged to the function (department) for which the capital expenditure was made.

The most significant shift in the capital programme between 1968 and 1973 is the increased emphasis on rapid transit and the decreased expenditure on roads. Capital expenditure by Metropolitan Toronto on rapid transit increased from \$9.1 million in 1968 to \$30.5 million in 1973 whereas expenditure on roads decreased from \$30.7 million in 1968 to \$16.4 million in 1973 (table 8.1).

In contrast to Metropolitan Toronto, annual capital expenditures dropped in Toronto, East York and North York between 1968 and 1973 and increased only 11.9% in Etobicoke and 26.9% in York. Scarborough had an increase of 100.3% reflecting its position as the main growth area in Metropolitan Toronto and also the cost of constructing a new municipal building. The capital expenditure and financing programmes of each area municipality are shown in tables 8.2 to 8.7 inclusive.

A summary of capital expenditures for Metropolitan Toronto and the area municipalities is shown in table 8.8. The total of capital expenditures increased by 32.6% from 1968 to 1973 for an average annual increase of 6.5%. This compares to an average annual increase of 2.1% in assessed population and 3.8% in taxable assessment for the same period.

METROPOLITAN TORONTO

ANALYSIS OF CAPITAL EXPENDITURE

FOR EACH OF THE YEARS ENDED DECEMBER 31, 1968 - 1973

(Expressed in thousands of dollars)

	1973	1972	1971	1970	1969	1968
Expenditure						
General government	47	30				
Emergency services	85					
Police	4,259	4,875	411	360	17	281
Conservation	2,980	3,018	2,312	867	1,012	962
Roadways	16,369	17,677	19,056	18,857	25,120	30,685
Traffic control	183	183	74	198	229	
Sanitary sewer system	14,465	7,417	8,702	6,460	8,323	5,966
Garbage disposal	6,285	1,903	3,279	821	325	2,114
General assistance offices	12	17				
Assistance to aged persons	4,191	5,063	2,234	3,195	2,454	873
Moderate rental housing	14	150	150	150	150	
Day nurseries	202	517				
Parks and recreation	4,122	6,226	1,588	1,453	1,000	1,276
Other cultural facilities	9,671	4,195	3,125	812	543	
Urban renewal	23	66	43	130	108	53
Rapid transit	30,535	42,023	29,806	21,878	16,371	9,088
Total general	93,443	93,360	70,780	55,181	55,652	51,298
Waterworks	12,763	7,616	4,864	4,029	7,699	6,253
	106,206	100,976	75,644	59,210	63,351	57,551
Contributions from						
Other Governments	31,510	27,792	29,220	19,556	18,416	15,986
Revenue Fund	15,253	18,070	14,683	13,347	12,699	2,725
Other	3,339	12,816	718	546	307	
Total	50,102	58,678	44,621	33,449	31,422	18,711
Net expenditure	56,104	42,298	31,023	25,761	31,929	38,840

CITY OF TORONTO

ANALYSIS OF CAPITAL EXPENDITURE AND FINANCING

FOR EACH OF THE YEARS ENDING DECEMBER 31, 1968-1973

(expressed in thousands of dollars)

	1973	1972	1971	1970	1969	1968
	\$	\$	\$	\$	\$	\$
EXPENDITURE						
General government)	191	336	395	409	203	1,114
Fire)						
Street lighting)						
Unclassified)	170	912	1,810	1,266	1,920	561
Sidewalks)						
Roadways)						
Parking)						
Drainage)						
Unclassified)	12,657	10,749	10,662	8,902	8,141	18,380
Sanitary sewer system)	295	692	188	308	157	984
Garbage collection)						
Health services	13	16	27	31	29	28
Housing	1,893					(9)
Parks and Recreation	1,823	5,786	3,040	3,363	3,216	4,140
Community Planning & Development	2,218	750	562	2,546	2,116	4,236
Total general	19,260	19,241	16,684	16,825	15,782	29,434
Transfer to boards or commissions	2,541	1,727	1,922	505	605	(393)
	21,801	20,968	18,606	17,330	16,387	29,041
FINANCING						
Long term liabilities	4,014	11,147	13,179	6,705	4,768	6,695
Contributions from other governments	5,741	3,771	4,137	5,159	5,291	6,874
Contribution from revenue fund	1,450	1,805	2,753	2,479	1,871	2,403
Contribution from reserves	1,341	1,787	2,023	532	7,873	1,046
Other	4,018	3,837	4,745	4,028	5,030	2,746
	16,564	22,347	26,837	18,903	24,833	19,764

Table 8.2

EAST YORK

ANALYSIS OF CAPITAL EXPENDITURE AND FINANCING

FOR EACH OF THE YEARS ENDING DECEMBER 31, 1968-1973

(expressed in thousands of dollars)

	1973	1972	1971	1970	1969	1968
	\$	\$	\$	\$	\$	\$
EXPENDITURE						
General government	138	3	4	3	35	33
Fire	1	34	1	2	56	1
Street lighting						
Unclassified			1	3		
Sidewalks		87	199	190	103	134
Roadways	802	392	571	394	180	752
Drainage	144	38	322	60	7	
Unclassified	1	13	196	5		80
Sanitary Sewer System	49	24	378	269	265	688
Garbage collection	166	2	4	2	1	222
Public health services			2			
Parks and Recreation	129	133	150	172	176	257
Other	40		67	8	83	4
Total general	1,470	726	1,895	1,108	906	2,171
Transfer to boards or commissions	50	105	134		60	1,842
	1,520	831	2,029	1,108	966	4,013
FINANCING						
Long term liabilities	967	423	782		860	2,025
Contributions from other governments	283	219	618	224	178	655
Contribution from revenue fund	52	27	332	251	207	367
Contribution from reserves	114	248	210	592	290	540
Other	140	41		82		
	1,556	958	1,942	1,149	1,535	3,587

Table 8.3

ANALYSIS OF CAPITAL EXPENDITURE AND FINANCING

FOR EACH OF THE YEARS ENDING DECEMBER 31, 1968-1973
(expressed in thousands of dollars)

	1973	1972	1971	1970	1969	1968
	\$	\$	\$	\$	\$	\$
EXPENDITURE						
General government	433	472	87	503	213	1,314
Fire	198	11	81	170	11	41
Street lighting	335	2		2	93	59
Unclassified	107	113	6			
Sidewalks		248	189	175	187	128
Roadways	3,833	1,889	2,724	4,198	4,562	3,955
Drainage	3,123	2,018	2,127	2,413	2,948	2,029
Unclassified	648	425	133	190	349	546
Sanitary Sewer System	669	334	243	466	524	688
Garbage collection	180	98	173	73	149	64
Parks and Recreation	1,175	1,215	1,239	1,044	1,222	1,169
Other	6	1				
Total general	10,707	6,826	7,002	9,234	10,258	9,993
Transfer to boards or commissions	544	565	596	160	624	58
	11,251	7,391	7,598	9,394	10,882	10,051
FINANCING						
Long term liabilities	4,224	2,905	5,880	4,247	5,172	2,954
Contributions from other governments	2,695	1,445	2,565	3,085	3,722	2,245
Contribution from revenue fund	807	632	650	309	904	370
Contribution from reserves	2,019	1,159	744	848	1,304	577
Other	1,639	341	230	108	717	1,963
	11,384	6,482	10,069	8,597	11,819	8,109

Table 8.4

ANALYSIS OF CAPITAL EXPENDITURE AND FINANCING
FOR EACH OF THE YEARS ENDED DECEMBER 31, 1968 - 1973

(Expressed in thousands of dollars)

	1973	1972	1971	1970	1969	1968
Expenditure						
General Government						
Fire	84	1				22
Street lighting	146	43	92	55	233	2
Unclassified	519	471	388	520	824	359
Sidewalks		11			6	12
Roadways	7,264	623	455	414	650	472
Parking	23	6,830	7,977	8,115	9,815	11,529
Drainage	3,847	3,480	4,491	5,158	2,870	3,937
Unclassified	2,262	1,197	629	1,817	1,204	1,332
Sanitary sewer system	446	422	358	889	268	1,298
Garbage collection	189	3	225	239	267	307
Social and family services						27
Parks and recreation	1,725	4,784	2,963	2,237	1,241	1,726
Community planning & development						275
Other			195	634		104
Transfer to boards or commissions	16,505	17,865	17,773	20,078	17,378	21,402
	175	886	397	196	925	252
Total	16,680	18,751	18,170	20,274	18,303	21,654
Financing						
Long term liabilities	5,276	8,604	6,887	7,711	7,487	2,956
Contributions from other governments	5,425	3,696	3,489	5,221	7,554	6,276
Contributions from the revenue fund	3,314	3,751	89		2,028	3,184
Contributions from reserves	2,096	3,371	7,585	3,435	2,044	2,039
Other	125	86	192	202	227	362
Total	16,236	19,508	18,242	16,569	19,340	14,817

Table 8.5

SCARBOROUGH

ANALYSIS OF CAPITAL EXPENDITURE AND FINANCING

FOR EACH OF THE YEARS ENDING DECEMBER 31, 1968-1973

(expressed in thousands of dollars)

	1973	1972	1971	1970	1969	1968
	\$	\$	\$	\$	\$	\$
EXPENDITURE						
General government	5,540	4,375	877	63	64	38
Fire	111	201	128	84	111	31
Street lighting	367	464	96	99	115	149
Unclassified	4	14	10	146	3	11
Sidewalks		130	174	202	134	113
Roadways	3,438	4,940	4,676	2,287	2,800	3,007
Parking	103					
Drainage		102				
Unclassified		117	78	63	42	76
Sanitary Sewer System	2,185	1,858	3,631	2,698	2,872	2,443
Garbage collection	126	169	127	77	165	219
Parks and Recreation	<u>1,631</u>	<u>1,372</u>	<u>2,346</u>	<u>736</u>	<u>1,021</u>	<u>326</u>
Total general	13,505	13,742	12,143	6,455	7,327	6,413
Transfer to boards or commissions	<u>913</u>	<u>1,518</u>	<u>3,320</u>	<u>540</u>	<u>893</u>	<u>791</u>
	<u>14,418</u>	<u>15,260</u>	<u>15,463</u>	<u>6,995</u>	<u>8,220</u>	<u>7,204</u>
FINANCING						
Long term liabilities	1,710	4,954	6,559	2,348	3,807	2,065
Contributions from other governments	1,252	2,141	1,000	1,055	1,302	1,256
Contribution from revenue fund	2,457	2,457	2,938	2,495	1,457	1,429
Contribution from reserves	7,578	5,935	4,603	1,568	1,384	1,532
Other	<u>40</u>	<u>69</u>	<u>163</u>	<u>202</u>	<u>140</u>	<u>260</u>
	<u>13,037</u>	<u>15,556</u>	<u>15,263</u>	<u>7,668</u>	<u>8,090</u>	<u>6,542</u>

Table 8.6

YORK

ANALYSIS OF CAPITAL EXPENDITURE AND FINANCING

FOR EACH OF THE YEARS ENDING DECEMBER 31, 1968-1973
(expressed in thousands of dollars)

	1973	1972	1971	1970	1969	1968
	\$	\$	\$	\$	\$	\$
EXPENDITURE						
General government	21	57	105	15	25	162
Fire	39	7	35	87	10	139
Street lighting	98	39	48	72	24	
Unclassified	3	3	1	3		
Sidewalks		316	250	118	105	50
Roadways	976	415	486	337	753	697
Parking	70					
Unclassified	18	8	33	7	10	196
Sanitary Sewer System	524	1,153	1,257	657	721	307
Garbage collection		10	72	88	61	104
Public health services	5	1		2	2	1
Parks and Recreation	<u>1,485</u>	<u>524</u>	<u>711</u>	<u>586</u>	<u>321</u>	<u>840</u>
Total general	3,239	2,533	2,998	1,972	2,032	2,496
Transfer to boards or commissions	<u>4</u>	<u>3</u>	<u>14</u>	<u>4</u>	<u>34</u>	<u>57</u>
	3,243	2,536	3,012	1,976	2,066	2,553
FINANCING						
Long term liabilities	923	1,060	1,236	2,022	2,045	1,679
Contributions from other governments	476	283	172	171	171	363
Contribution from revenue fund	259	432	237	217	498	202
Contribution from reserves	1,272	191	176	267	218	152
Other		<u>15</u>	<u>104</u>			
Total	<u>2,930</u>	<u>1,981</u>	<u>1,925</u>	<u>2,677</u>	<u>2,932</u>	<u>2,396</u>

Table 8.7

METROPOLITAN TORONTO & AREA MUNICIPALITIES

SUMMARY OF CAPITAL EXPENDITURES

FOR EACH OF THE YEARS ENDING DECEMBER 31, 1968-1973
(expressed in thousands of dollars)

	1973 \$	1972 \$	1971 \$	1970 \$	1969 \$	1968 \$	Increase (Decrease) %
City of Toronto	21,801	20,968	18,606	17,330	16,387	29,041	(24.9)
East York	1,520	831	2,029	1,108	966	4,013	(62.1)
Etobicoke	11,251	7,391	7,598	9,394	10,882	10,051	11.9
North York	16,680	17,751	18,170	20,274	18,303	21,655	(23.0)
Scarborough	14,418	15,260	15,463	6,995	8,220	7,204	100.3
York	3,243	2,536	3,012	1,976	2,066	2,555	26.9
Metropolitan Toronto	<u>106,206</u>	<u>100,976</u>	<u>75,644</u>	<u>59,210</u>	<u>63,351</u>	<u>57,551</u>	<u>84.5</u>
Total	<u><u>175,119</u></u>	<u><u>165,713</u></u>	<u><u>140,522</u></u>	<u><u>116,287</u></u>	<u><u>120,175</u></u>	<u><u>132,070</u></u>	<u><u>32.6</u></u>

Table 8.8

9. DEBENTURE DEBT AND THE ROLE OF ONTARIO MUNICIPAL BOARD

Debentures is a term used to describe municipal bonds. The debentures are a written promise to pay a specified sum of money called the face value or principal amount, at a specified date or dates in the future, called the maturity date(s), together with periodic interest at a specified rate.

The Metropolitan Corporation has power to issue either instalment debentures or sinking fund debentures. The Act provides that upon the issue of sinking fund debentures, a specific annual sinking fund amount shall be raised which, with the estimated interest at a rate not exceeding 3 1/2% per annum capitalized yearly, will be sufficient to repay such debentures in full at maturity (Sinking Fund deposits of Metropolitan Toronto debentures are based on an interest rate of 3% per annum capitalized yearly). All assets of the Sinking Fund are under the sole control and management of a Sinking Fund Committee composed of the Treasurer of the Metropolitan Corporation and two members appointed by the Metropolitan Council. The Committee is required to keep one or more consolidated bank accounts in which sinking fund monies and earnings and proceeds of sinking fund investments are deposited. Sinking Fund investments are limited to securities which are trustee investments under The Trustee Act. (Ontario). *

Since January 1, 1954 no area municipality has had the power to issue debentures. The Metropolitan Corporation is obligated to provide funds to the area municipalities for payment of all outstanding debenture debt issued by them prior to 1954 for school purposes and for works transferred to the Metropolitan Corporation. Debenture debt in this category is referred to as 'assumed'. The Metropolitan Corporation is obligated to repay holders of debentures issued by the Corporation including issues for the Toronto Transit Commission, the Metropolitan Toronto Library Board, any area municipality and the Boards of Education in the metropolitan area, but excluding the Separate School Board. All debentures are direct, joint and several obligations of the Metropolitan Corporation and the area municipalities.

* 1973 Annual Report of the Commissioner of Finance of
Metropolitan Toronto.

When examining the debt of Metropolitan Toronto it is important to consider not only the debt issued by the Metropolitan Corporation, including school debt, but also the debt of each of the constituent municipalities, in comparison with the total assessment in Metropolitan Toronto. Some of the debt of the Corporation is self-sustaining (provided from the revenues of utilities or commissions) or recoverable by means other than tax levies, and are therefore deducted in arriving at the net debt of Metropolitan Toronto.

Table 9.1 shows the gross debt, self-sustaining debt and the net debt. This net debt figure includes the total outstanding school debt (excluding separate schools), although all school debentures are now issued through the province and are subject to ceilings established by the province. The net debt to assessment or equalized assessment ratio is an indication of the ability of the municipality to meet its current obligations and to sustain more debt. The ratio is also used by the Ontario Municipal Board in determining the approval or otherwise of new debenture issues by the municipality. The ratio of 3.42 in 1973 indicated Metropolitan Toronto was in a relatively good debt position. Table 9.1 indicates that at December 31, 1973 the Metropolitan Corporation had a better debt position at 13.91% of actual assessment (or 3.42% of equalized assessment) than it had in 1967 (15.91% of actual assessment or 5.09% of equalized assessment).

Per capita debt is used by many as a measure of wealth of a municipality and is shown in table 9.1 for comparative purposes only. Per capita debt is not a good measure of the debt position of municipalities since a municipality with substantial commercial and industrial assessment and low population would result in a high per capita debt when in fact it has a substantial assessment base which pays the taxes. Charts 9.1 and 9.2 are representative of the total debenture debt of Metropolitan Toronto and area municipalities and the debt issued yearly since 1954. Table 9.2 shows annual expenditures on debt charges by each area municipality for 1967 to 1973. Debt charges as reflected in the mill rate are indicative of the portion of tax levy going to pay debt charges.

9.1 ROLE OF THE ONTARIO MUNICIPAL BOARD

The Ontario Municipal Board began its function in 1906 when it was known as the Ontario Railway and Municipal Board. The Ontario Municipal Board Act passed in 1932 created the present O.M.B. and to-day it retains most of the powers bestowed then.

Its primary functions are:

1. To hear appeals under the Assessment Act which have been carried forward from the Assessment Review Courts and the County Courts.
2. To hear applications for approval of zoning by-laws and official plans.
3. To supervise some of the financial and other affairs of local municipalities.
4. To issue orders creating, altering or dissolving municipalities.
5. To determine compensation for lands taken by authorities under public expropriation.

The O.M.B. has been, and still is, one of the chief architects of urban growth and development in Ontario. The O.M.B. is an appointed tribunal with specific responsibilities set out in the Ontario Municipal Board Act. Recently its number of members has been expanded to provide for an expected increase in hearings on the proposed Parkway Green Belt.

The O.M.B. is relatively independent from elected representatives, with appeal from its decisions only to the Cabinet. It is a quasi-judicial court charged generally with applications of provincial policy regarding municipal development within the confines of the Ontario Municipal Board Act.

In past years the role has to some extent appeared to have been in an 'ombudsman' category where taxpayers appealed decisions of municipal councils, resulting in considerable debate on municipal decision-making. Its role in approving or disallowing zoning by-laws and official plans in Metropolitan Toronto is particularly well known.

The role of the O.M.B. in respect of capital expenditure and control is not so well known since there have been no instances in which Metropolitan Toronto has had capital programmes turned down by the O.M.B., because it has stayed well within the guidelines set by the Board. The O.M.B. does have the power to control debenture issues and has recently advised that long term commitments of municipalities, such as leases, term grants to hospitals and commitments for specific projects extending beyond one year, will be considered as part of total debt commitment in arriving at the maximum debt allowable. The maximum debt allowable is calculated as a percentage of 'equalized' assessment.

While there have never been any specific requirements as to professional qualifications for membership of the Board there are lawyers, accountants, an engineer, a planner and some businessmen on the Board at present. The Board does operate on the basis of legal principles and judgements characteristic of a judicial tribunal.

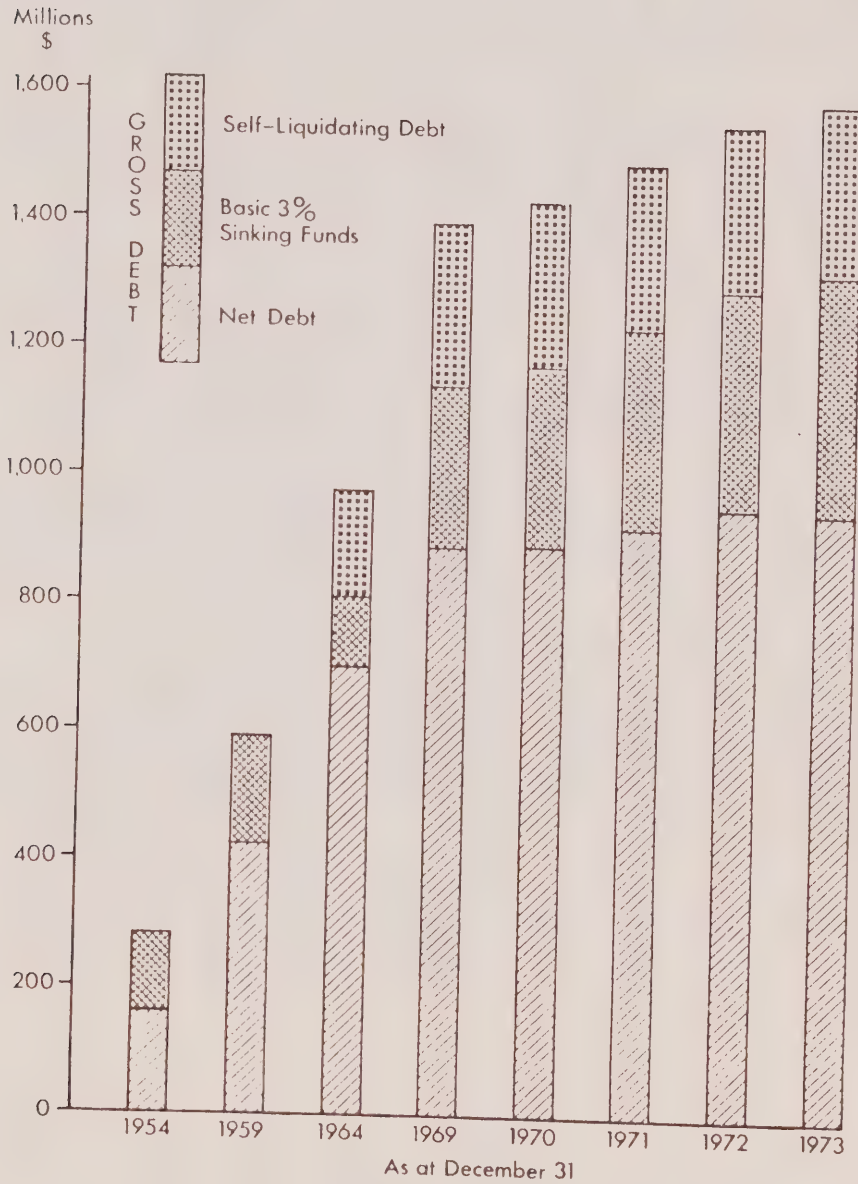
In 1972 a Select Committee on the O.M.B. appointed by the Provincial Legislature tabled its findings, after an inquiry into its operations, and made a number of recommendations for improvement in the functions of the Board. Generally, this inquiry found that the O.M.B. should retain its independent appeal tribunal status subject to an improvement in a number of areas, including clearly stated policy regulations from the government, issued at the same time to all municipalities and to the public at large.

TOTAL DEBTURE DEBT OF METROPOLITAN TORONTO
(expressed in thousands of dollars)

	Outstanding as at December 31				
	1973	1972	1971	1970	1969
	\$	\$	\$	\$	\$
Area Municipalities' Debentures					
Assumed by Metropolitan Corporation	27,413	31,162	35,765	41,026	46,807
Not assumed	<u>2,943</u>	<u>3,865</u>	<u>5,534</u>	<u>7,240</u>	<u>9,081</u>
	30,356	35,027	41,299	48,266	55,888
Metropolitan Corporation Debentures	<u>1,552,010</u>	<u>1,510,898</u>	<u>1,448,156</u>	<u>1,377,168</u>	<u>1,336,471</u>
Total debt of Metropolitan Toronto area	<u>1,582,366</u>	<u>1,545,925</u>	<u>1,489,455</u>	<u>1,425,434</u>	<u>1,392,359</u>
Less:					
Administration of Justice (Province of Ontario) *	19,061	19,061	19,061	19,061	19,061
Self Liquidating Debentures	60,438	62,068	63,634	65,140	66,591
Toronto Transit Commission	147,213	132,987	135,144	132,003	125,829
Waterworks	38,813	39,939	40,104	39,534	41,424
Hydro Electric Systems					
Basic 3% Sinking Funds re debts other than above	<u>373,274</u>	<u>342,149</u>	<u>313,055</u>	<u>283,280</u>	<u>253,512</u>
	<u>638,799</u>	<u>596,204</u>	<u>570,998</u>	<u>539,018</u>	<u>506,417</u>
Total net debt of Metropolitan Toronto Area	<u>943,567</u>	<u>949,721</u>	<u>918,457</u>	<u>886,416</u>	<u>885,942</u>
Population as determined for Assessment purposes	2,119	2,115	2,069	2,004	1,935
Net debt per capita	445.33	448.97	443.82	442.39	457.82
Assessment	6,785,310	6,508,782	6,256,979	6,122,593	5,768,958
Net debt as percentage thereof	13.91%	14.59%	14.68%	14.48%	15.36%
Provincial equalization factor	24.6	24.6	24.6	24.6	32.0
Provincial equalized assessment	27,582,560	26,458,463	25,434,873	24,888,589	18,027,993
Net debt as percentage of equalized assessment	3.42%	3.59%	3.61%	3.56%	4.91%
					4.93%
					5.09%

* Municipal responsibilities for the administration of justice were assumed by the Province of Ontario in 1968.

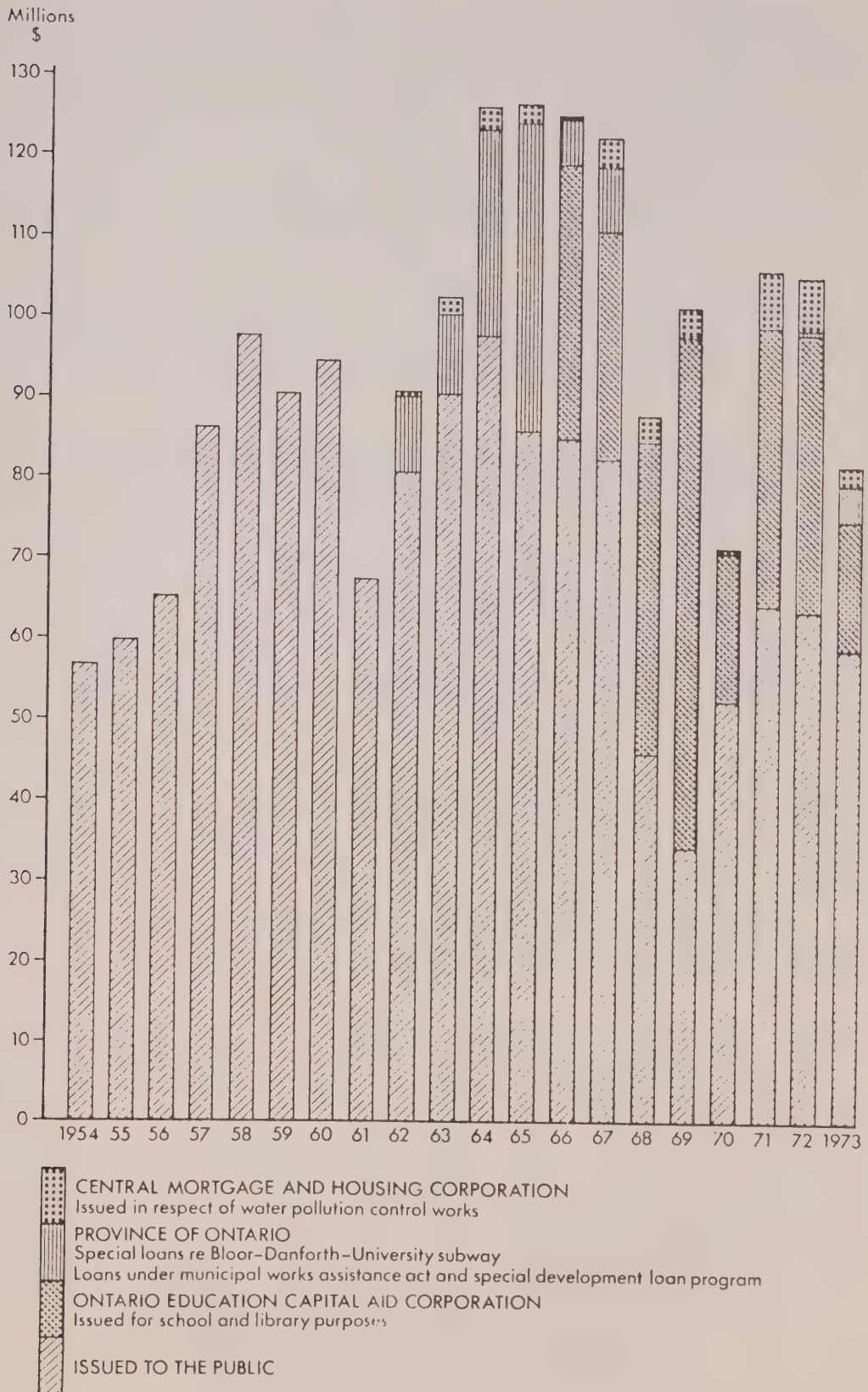
TOTAL DEBENTURE DEBT, METROPOLITAN TORONTO AND AREA MUNICIPALITIES



Source: Metropolitan Toronto Annual Report 1973

Chart 9.1

METROPOLITAN TORONTO, DEBENTURE DEBT ISSUED YEARLY, CLASSIFIED BY LENDER



Source: Metropolitan Toronto Annual Report 1973

Chart 9.2

GENERAL MUNICIPAL DEBT CHARGES

1967 TO 1973

(debt charges are expressed in thousands of dollars)

	1973	1972	1971	1970	1969	1968	1967	Increases or (decreases) 1967 - 1973 Amount Charges % P.A. Average
TORONTO								
Debt charges	\$ 14,436	14,229	13,139	13,010	12,559	13,178	13,124	1,312 9.1 187
Debt charges per capita	21	21	19	19	18	19	19	
Debt charges as a mill rate	6.13	6.08	5.70	5.90	5.79	6.20	6.34	
EAST YORK								
Debt charges	964	977	1,016	1,048	983	1,246	824	140 17.0 20
Debt charges per capita	9	9	10	10	10	13	8	
Debt charges as a mill rate	4.0	4.0	5.0	4.0	4.0	5.0	4.0	
ETOBICOKE								
Debt charges	5,408	5,443	5,067	4,851	4,340	4,165	4,020	1,388 3.4 198
Debt charges per capita	18.90	18.71	18.00	17.51	16.15	15.54	15.09	
Debt charges as a mill rate	5.78	5.84	5.61	5.72	5.33	5.31	5.30	
NORTH YORK								
Debt charges	7,483	6,982	7,047	6,684	6,160	6,156	5,727	1,756 30.0 251
Debt charges per capita	14.2	13.2	13.6	14.2	14.0	14.5	13.9	
Debt charges as a mill rate	5.1	4.9	5.1	5.3	5.4	5.7	5.7	
SCARBOROUGH								
Debt charges	5,270	5,304	4,825	4,807	4,856	4,734	4,526	744 16.0 106
Debt charges per capita	14.56	15.10	14.46	15.35	15.74	16.82	16.42	
Debt charges as a mill rate	7.09	7.29	6.82	7.28	7.42	8.13	8.21	
YORK								
Debt charges	1,896	1,968	1,901	1,794	1,607	1,441	1,350	546 40.0 78
Debt charges per capita	13	13	13	13	11	10	10	
Debt charges as a mill rate	6.4	6.6	6.4	6.2	5.7	5.2	5.0	

Table 9.2

10. ANALYSIS OF REVENUE

Revenue collected by the municipalities comes from three sources: taxes, contributions from other governments and other. The major source of revenue for general purposes (i.e. excluding education) is the property tax. In all of the municipalities, in 1973, property taxes represented over 80% of the revenue. As shown in chart 10.1 combining education and general expenditures in 1973 the tax levy covered only 58% of the total revenue while government grants accounted for 31%.

Metropolitan Toronto obtains its share of property taxes through a levy on each of the area municipalities. The area municipalities are responsible for tax billing and collection of both annual property taxes and supplementary property taxes.

Contributions from other governments include: payments in lieu of taxes from the federal and provincial governments, Ontario government enterprises, and municipal enterprises; federal and provincial subsidies; and provincial grants. Provincial government grants are in two categories - conditional grants and unconditional grants. A conditional grant must be spent by the municipalities on the programme specified by the provincial act under which the grant is made. Unconditional grants are taken into the general revenue fund and spent as deemed necessary by the municipal council.

Other revenue collected by the municipalities includes licences and permits, rents, service charges, penalties and interest on taxes, income from investments and fines. Tables 10.1 to 10.7 inclusive show detailed analyses of revenues for general purposes for area municipalities. Table 10.8 is a comparison of revenue sources other than direct taxation and grants. In terms of percentage of total revenue these other sources are less than 6% but in actual dollars the amount collected is over \$50 million.

The data used to prepare the tables for the area municipalities were extracted from their annual reports, which are in a format similar to the annual reports submitted to the Ministry of Treasury, Economics and Intergovernmental Affairs of the Ontario Government. In order to get a common basis of comparison the data for Metropolitan Toronto were extracted from the Corporation's annual reports to the Ontario Government rather than the annual reports of the Commissioner of Finance. The years reported are 1968 to 1973 because the most recent annual reports are for 1973 and the first year of a standard reporting format was 1968.

ANALYSIS OF REVENUE

FOR EACH OF YEARS ENDED DECEMBER 31

(expressed in thousands of dollars)

	1973	1973	1972	1971	1970	1969	1968
	% of Total	\$	\$	\$	\$	\$	\$
TOTAL REVENUE FROM LEVY							
Gross levy on area municipalities	77.86	470,886	473,057	438,538	441,887	380,990	351,103
Less: Statutory levy reduction re former area municipalities					<u>283</u>	<u>568</u>	<u>830</u>
					441,604	380,422	350,273
Share of supplementary taxes levied by area municipalities	<u>2.65</u>	<u>16,071</u>	<u>16,830</u>	<u>10,326</u>	<u>11,887</u>	<u>11,170</u>	<u>9,473</u>
	80.51	486,957	489,887	448,864	453,491	391,592	359,746
CONTRIBUTIONS FROM OTHER GOVERNMENTS							
Subsidies							
Canada							
Urban transportation study	.01	100					
Ontario							
Regional municipal grants	4.46	26,950	23,322	16,814	14,012		
Roadways	1.04	6,269	6,848	5,679	5,479	4,940	4,793
Conservation of health	.50	2,965	3,703	3,451	3,004	2,522	1,740
General welfare assistance	4.87	29,394	34,406	41,184	29,797	20,125	18,464
Assistance to children	.75	4,457	3,793	2,363	1,486	1,128	1,037
General support grant	.78	4,625				14,012	14,011
Provincial-Municipal employment incentive program	.34	2,033	1,492	642			
Public transportation	1.88	11,400	8,595	1,025			
Homes for the aged	1.68	10,197	8,099	5,429	4,963	3,648	3,394
Emergency measures	.04	247	235	232	235	261	333
Share of liquor licence fees	.02	142	745	596	529	507	547
Urban transportation study	.01	114					
Pollution abatement	.01	102		48			
Phosphorus removal	.01	50	85				
Other							
	<u>16.38</u>	<u>98,945</u>	<u>91,323</u>	<u>77,463</u>	<u>59,505</u>	<u>47,143</u>	<u>109</u>
							<u>44,428</u>

ANALYSIS OF REVENUE

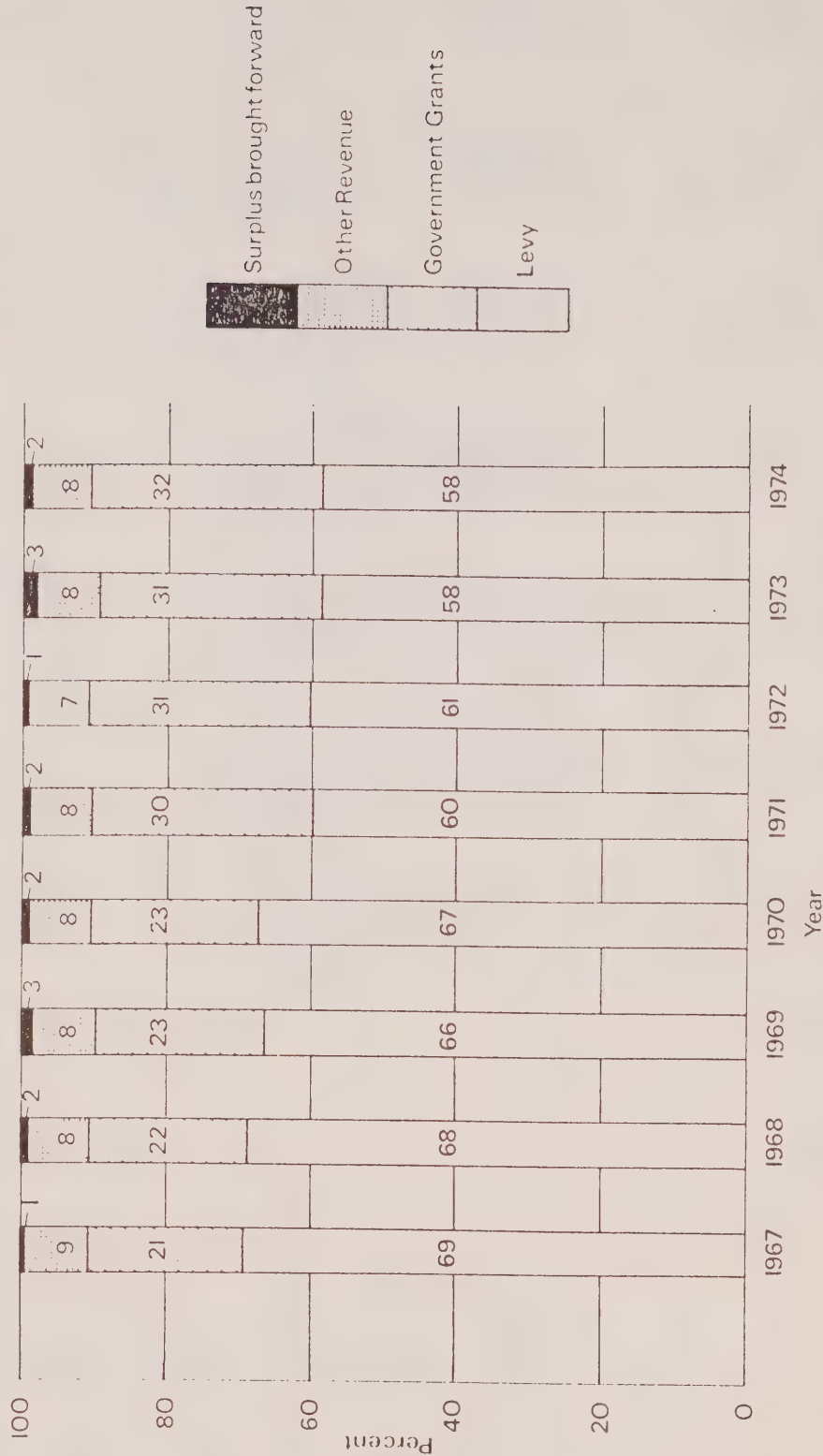
FOR EACH OF YEARS ENDED DECEMBER 31

(expressed in thousands of dollars)

	1973	1973	1972	1971	1970	1969	1968
	% of Total	\$	\$	\$	\$	\$	\$
OTHER REVENUE							
Licences and permits	.30	1,808	1,383	1,411	1,295	1,222	1,401
Rents, concessions and franchises	.11	662	562	441	399	344	322
Income from investments	.27	1,623	1,107	1,464	1,202	1,633	1,571
Fines	.80	4,872	4,877	4,874	4,133	3,946	3,908
Service charges	1.50	9,067	8,603	7,846	6,371	5,977	5,527
Miscellaneous	.12	735	620	229	292	253	306
	3.10	18,767	17,152	16,265	13,692	13,375	13,035
TOTAL REVENUE FOR YEAR	100.00%	604,769	598,362	542,592	526,688	452,110	417,209

Table 10.1 (cont.)

METROPOLITAN TORONTO—REVENUE SOURCES TO MEET ESTIMATED GENERAL AND
EDUCATION EXPENDITURES, 1967-1974



Source: Metropolitan Toronto Annual Report 1973

Chart 10.1

FOR EACH OF YEARS ENDED DECEMBER 31

(expressed in thousands of dollars)

	1973	1973	1971	1970	1969	1968
	% of Total	\$	\$	\$	\$	\$
TAXATION						
Realty - Residential and farm	36.41	114,002	88,109	88,831	80,576	74,965
- Commercial and industrial	34.63	108,414	101,205	105,126	91,979	89,167
	71.04	222,416	189,314	193,957	172,555	164,132
Business	15.59	48,831	43,102	42,088	37,520	35,981
Special charges	.89	2,792	3,394	3,142	2,603	2,545
	87.52	274,039	235,810	239,187	212,678	202,658
CONTRIBUTIONS FROM OTHER GOVERNMENTS						
Payments in lieu of taxes						
Canada	.87	2,724	2,799	2,908	2,606	2,526
Canada enterprises	.05	179	176	183	164	159
Ontario	1.92	6,018	2,320	2,231	1,909	1,538
Ontario enterprises	.67	2,120	2,074	2,384	2,273	1,948
Municipal enterprises	1.27	3,982	4,106	4,125	3,770	3,597
	4.78	15,023	11,475	11,831	10,722	9,768
SUBSIDIES						
Canada - District heating study						
- Smoking withdrawal study					7	15
- Local incentive program	.01	42				
	.01	42			7	15
Ontario						
General support grant	1.72	5,379				
Residential property tax reduction			16,132	15,244	14,236	13,514
Employment incentive program	.42	1,310	246			
Specific						
Roadways	1.38	4,324	5,746	3,378	2,183	1,798
Recreation	.05	16	16	16	17	15
Cultural facilities	.03	12	4	4	4	4
Termite control	.03	11	9			
Conservation of health	.48	1,514	1,354	1,411	1,082	983
Winter works						507
College football games						1
	4.11	12,566	23,507	20,053	17,522	16,822
		7,346				53

CITY OF TORONTO

ANALYSIS OF REVENUE

FOR EACH OF YEARS ENDED DECEMBER 31

(expressed in thousands of dollars)

	1973	1973	1972	1971	1970	1969	1968
	% of Total	\$	\$	\$	\$	\$	\$
OTHER REVENUE							
Licences and permits	1.00	3,157	2,516	2,071	1,907	2,173	1,684
Rents, concessions and franchises	.45	1,431	1,225	1,177	1,114	1,025	825
Service charges	.05	162	146	1,941	1,131	1,096	931
Penalties and interest on taxes	.72	2,283	1,435	1,609	1,649	781	802
Income from investments	.76	2,401	1,693	1,527	2,356	2,442	2,039
Miscellaneous	.54	1,697	1,562	2,208	1,463	2,245	1,318
Bell Telephone - Metro	.02	92	1,888	3,285	1,580	1,673	1,197
- School Boards	.04	148	3,106	6,094	3,263	3,320	2,245
	3.58	11,371	13,571	19,912	14,463	14,755	11,041
TOTAL REVENUE FOR YEAR	100.00	313,041	307,817	290,704	285,534	255,684	240,304

Table 10.2(cont.)

ANALYSIS OF REVENUE

FOR EACH OF YEARS ENDED DECEMBER 31
(expressed in thousands of dollars)

	1973	1973	1972	1971	1970	1969	1968
	% of total	\$	\$	\$	\$	\$	\$
TAXATION							
Realty - residential and farm	52.70	15,915	15,384	11,415	14,839	12,916	12,055
- commercial and industrial	29.60	8,939	9,087	8,489	6,102	5,482	5,217
Business	82.30	24,854	24,471	19,904	20,941	18,398	17,272
Special charges	9.02	2,723	2,795	2,621	2,635	2,626	2,408
	.53	161	180	197	219	235	261
	91.85	27,738	27,446	22,722	23,795	21,259	19,941
CONTRIBUTIONS FROM OTHER GOVERNMENTS							
Payments in lieu of taxes							
Canada enterprises		3	4	3	4	3	3
Ontario enterprises	.77	231	233	218	238	210	206
Municipal enterprises	.18	53	25	23	24	21	19
	.95	287	262	244	266	234	228
SUBSIDIES							
Ontario							
General							
General support grant	1.28	388		2,680	2,470	2,067	1,933
Residential property tax reduction							
Specific							
Roadways	1.43	430	446	415	327	245	271
Recreation	.04	12	12	12	12	12	12
	2.75	830	458	3,107	2,809	2,324	2,216
OTHER REVENUE							
Licences and permits	.34	103	99	139	118	153	105
Rents, concessions and franchises	.19	58	75	72	54	63	62
Service charges	1.55	468	451	380	442	354	364
Penalties and interest on taxes	.46	136	131	146	102	84	55
Income from investments	.55	168	155	118	260	234	205
Other	1.36	412	1,215	1,059	669	1,286	1,274
	4.45	1,345	2,126	1,914	1,655	2,174	2,065
TOTAL REVENUE FOR YEAR	100%	30,200	30,292	27,987	28,525	25,991	24,450

Table 10.3

ANALYSIS OF REVENUE

FOR EACH OF YEARS ENDED DECEMBER 31
(expressed in thousands of dollars)

TAXATION	1973 % of total	1973 \$	1972 \$	1971 \$	1970 \$	1969 \$	1968 \$
Realty - residential and farm	46.77	53,441	53,099	42,426	44,461	39,454	37,371
- commercial and industrial	26.92	30,755	32,924	29,896	27,745	23,681	21,669
Business	73.69	84,196	86,023	72,322	72,206	63,135	59,340
Special charges	15.70	17,927	13,912	13,148	13,104	10,521	9,612
	.31	360	447	439	382	420	443
	89.70	102,483	100,382	85,909	85,692	74,076	69,395
CONTRIBUTIONS FROM OTHER GOVERNMENTS							
Payments in lieu of taxes							
Canada	.07	74	76	78	70	68	63
Canada enterprises				2		2	3
Ontario	.44	492	223	207	189	157	188
Ontario enterprises	1.09	1,249	1,268	1,201	1,279	1,114	1,069
Municipal enterprises	1.06	1,212	1,238	1,184	1,194	1,036	861
	2.66	3,027	2,805	2,672	2,732	2,377	2,184
SUBSIDIES							
Canada - dental							7
Ontario							
General							
General support grant	1.43	1,626		7,143	5,967	4,601	4,287
Residential property tax reduction				253			
Employment incentive program	.61	694	664				
Specific							
Roadways	1.73	1,983	2,047	2,009	1,777	1,577	1,419
Conservation of health	.25	284	234	217	201	189	168
Assistance to children		16	18				
Recreation			4	15	16	16	16
Cultural facilities						21	10
Community centres	.01			45	43		
	4.03	4,603	2,967	9,682	8,004	6,404	5,907

ETOBICOKE

ANALYSIS OF REVENUE

FOR EACH OF YEARS ENDED DECEMBER 31
(expressed in thousands of dollars)

	1973	1973	1972	1971	1970	1969	1968
	% of total	\$	\$	\$	\$	\$	\$
OTHER REVENUE							
Licences and permits	.85	972	659	681	529	586	452
Rents, concessions and franchises	.03	43	26	40	50	49	47
Service charges	1.10	1,256	1,133	773	688	642	573
Penalties and interest on taxes	.42	473	391	352	338	244	250
Income from investments	.86	992	814	841	979	586	489
Telephone tax chargebacks			1,186	1,960	1,032	1,008	1,039
Refund prior years capital fund			182				
Waterworks surplus	.35	396	437	214	97		
	3.61	4,132	4,828	4,861	3,713	3,115	2,850
TOTAL REVENUE FOR YEAR	100%	114,245	110,982	103,124	100,141	85,972	80,336

Table 10.4(cont.)

ANALYSIS OF REVENUE

FOR EACH OF YEARS ENDED DECEMBER 31
(expressed in thousands of dollars)

	1973	1973	1972	1971	1970	1969	1968
	% of total	\$	\$	\$	\$	\$	\$
TAXATION							
Realty - residential and farm	54.93	94,813	91,840	73,385	75,026		
- commercial and industrial	21.61	37,288	37,615	34,366	31,155		
Business	76.54	132,101	129,455	107,751	106,181	89,792	81,170
Special charges	10.54	18,186	17,194	15,661	13,683	11,167	10,232
	2.46	4,245	2,170	2,296	2,348	2,014	2,178
	89.54	154,532	148,819	125,708	122,212	102,973	93,580
CONTRIBUTIONS FROM OTHER GOVERNMENTS							
Payments in lieu of taxes							
Canada	.65	1,100	1,281	1,100	1,000	1,361	1,080
Canada enterprises	.02	33	34	33	33	30	30
Ontario	.65	1,123	327	327	283	246	256
Ontario enterprises	.52	906	959	930	958	858	827
Municipal enterprises	.29	506	462	442	440	404	301
	2.13	3,668	3,063	2,832	2,714	2,899	2,494
SUBSIDIES							
Canada - winter works							112
Ontario							
General							
General support grant	1.15	1,989		12,281	10,078	7,378	6,542
Residential property tax reduction				397			
Employment incentive program	.61	1,055	825				
Specific							
Roadways	1.39	2,402	4,107	4,077	2,932	3,782	3,542
Recreation	.10	171	68	79	77	15	25
Winter works							56
Planning		2					
Conservation of health	.32	542	509	441	345	309	266
	3.57	6,161	5,509	17,275	13,432	11,484	10,421

NORTH YORK

ANALYSIS OF REVENUE

FOR EACH OF YEARS ENDED DECEMBER 31
(expressed in thousands of dollars)

	1973	1973	1972	1971	1970	1969	1968
OTHER REVENUE							
Licences and permits	1.41	2,433	2,172	1,860	1,472	1,495	994
Rents, concessions and franchises	.45	773	692	495	449	394	243
Service charges	.85	1,459	1, 29	1,149	1,003	1,159	1,031
Penalties and interest on taxes	.27	472	439	531	610	347	299
Income from investments	1.21	2,098	1,712	1,447	1,758	1,558	1,390
Other	<u>57</u>	<u>995</u>	<u>2,933</u>	<u>2,381</u>	<u>1,872</u>	<u>1,282</u>	<u>1,025</u>
	<u>4.76</u>	<u>8,230</u>	<u>9,277</u>	<u>7,863</u>	<u>7,164</u>	<u>6,235</u>	<u>4,982</u>
TOTAL REVENUE FOR YEAR	<u>100%</u>	<u>172,591</u>	<u>166,668</u>	<u>153,678</u>	<u>145,522</u>	<u>123,591</u>	<u>111,589</u>

Table 10.5(cont.)

ANALYSIS OF REVENUE

FOR EACH OF YEARS ENDED DECEMBER 31

(expressed in thousands of dollars)

	1973	1973	1972	1971	1970	1969	1968
	% of Total	\$	\$	\$	\$	\$	\$
TAXATION							
Reality - Residential and Farm	50.88	53,021	52,489	40,382	40,957	35,127	31,894
- Commercial and Industrial	<u>19.97</u>	<u>20,816</u>	<u>22,038</u>	<u>20,258</u>	<u>19,017</u>	<u>15,950</u>	<u>14,550</u>
Business	70.85	73,837	74,527	60,640	59,974	51,077	46,444
Special charges	11.11	11,572	9,817	9,111	8,058	7,151	6,164
	<u>.71</u>	<u>743</u>	<u>863</u>	<u>811</u>	<u>799</u>	<u>755</u>	<u>787</u>
	82.67	86,152	85,207	70,562	68,831	58,983	53,395
CONTRIBUTIONS FROM OTHER GOVERNMENTS							
Payments in lieu of taxes							
Canada	.11	113	93	82	53	48	36
Canada enterprises	.25	258	285	276	287	277	16
Ontario	.05	43	46	46	52	36	50
Ontario enterprises	4.11	4,283	3,498	2,676	2,330	1,729	1,408
Municipal enterprises	<u>1.06</u>	<u>1,111</u>	<u>1,151</u>	<u>1,093</u>	<u>1,066</u>	<u>910</u>	<u>891</u>
	5.58	5,808	5,073	4,173	3,788	3,000	2,401
SUBSIDIES							
Ontario							
General							
General support grant	1.73	1,806		7,319	6,465	4,956	4,510
Residential property tax reduction			524	74			
Employment incentive program	.68	708					
Resource equalization grant	1.05	1,095					
Specific							
Roadways	2.32	2,415	1,908	2,506	2,061	1,792	1,627
Recreation	.04	46	61	48	84	39	
Cultural facilities		<u>2</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	
	5.82	6,072	2,494	9,948	8,611	6,788	6,137

Table 10.6

ANALYSIS OF REVENUE

FOR EACH OF YEARS ENDED DECEMBER 31

(expressed in thousands of dollars)

	1973	1973	1972	1971	1970	1969	1968
	% of Total	\$	\$	\$	\$	\$	\$
OTHER REVENUE							
Licences and permits	1.11	1,161	1,176	963	626	616	697
Rents, concessions and franchises	.25	259	233	202	148	374	300
Fines	.03	35	35	32	25		12
Service charges	1.93	2,014	1,688	1,654	1,221	998	299
Penalties and interest on taxes	.37	384	445	453	499	226	311
Income from investments	.92	952	594	541	709	691	563
Other	<u>1.32</u>	<u>1,367</u>	<u>2,541</u>	<u>213</u>	<u>35</u>	<u>278</u>	<u>206</u>
	5.93	6,172	6,712	4,058	3,263	3,183	2,388
TOTAL REVENUE FOR THE YEAR	<u>100.00</u>	<u>104,204</u>	<u>99,486</u>	<u>88,741</u>	<u>84,493</u>	<u>71,954</u>	<u>64,321</u>

Table 10.6 (cont.)

ANALYSIS OF REVENUE

FOR EACH OF YEARS ENDED DECEMBER 31

(expressed in thousands of dollars)

	1973 % of Total	1973 \$	1972 \$	1971 \$	1970 \$	1969 \$	1968 \$
TAXATION							
Realty - Residential and farm							
- Commercial and industrial	54.56	21,510	22,341	17,509	17,601	15,092	14,559
	<u>20.43</u>	<u>8,057</u>	<u>8,369</u>	<u>8,006</u>	<u>8,035</u>	<u>6,904</u>	<u>6,755</u>
	74.99	29,567	30,710	25,515	25,636	21,996	21,414
Business	9.61	3,791	3,798	3,701	3,505	3,034	2,973
Special charges	<u>.28</u>	<u>106</u>	<u>126</u>	<u>138</u>	<u>184</u>	<u>214</u>	<u>247</u>
	84.88	33,464	34,634	29,354	29,325	25,244	24,634
CONTRIBUTIONS FROM OTHER GOVERNMENT							
Payments in lieu of taxes							
Canada	.12	50	52	49	49	43	43
Ontario	.11	44	2	2	2	2	2
Ontario enterprises	.32	127	131	124	125	205	113
Municipal enterprises	<u>.21</u>	<u>81</u>	<u>86</u>	<u>80</u>	<u>84</u>	<u>75</u>	<u>75</u>
	.76	302	271	255	260	325	233
SUBSIDIES							
Canada - Mental health and winter works incentive	.32	126	115	99	71	61	131
Ontario							
General							
General support grant	1.81	712					
Residential property tax reduction				3,262	2,988	2,861	2,807
Employment incentive program	.33	129	311	179			
Resource equalization grant	4.49	1,767					
Specific							
Roadways	1.58	621	467	489	733	470	394
Student involvement in municipal administration	.01	4					
Recreation	.03	12	12	12	12	12	12
Cultural facilities	.00	1	2	2			
Winter works incentive program							37
Conservation of health	<u>.50</u>	<u>192</u>	<u>181</u>	<u>174</u>	<u>158</u>	<u>148</u>	<u>123</u>
	8.75	3,438	973	4,118	3,891	3,491	3,373
Municipalities							
Metropolitan Toronto - Storm sewer maintenance		7	8	13	9		

YORK

ANALYSIS OF REVENUE

FOR EACH OF YEARS ENDED DECEMBER 31

(expressed in thousands of dollars)

	1973	1973	1972	1971	1970	1969	1968
	% of Total	\$	\$	\$	\$	\$	\$
OTHER REVENUE							
Licences and permits	.53	210	170	109	89	91	107
Rents, concessions and franchises	.26	102	95	81	66	65	61
Fines	.02	9	7	6	5	4	4
Service charges	1.24	486	466	198	175	135	128
Penalties and interest on taxes	.53	210	284	266	182	117	105
Income from investments	.32	128	127	100	212	216	180
Miscellaneous	.04	16	83	16	41	52	55
Other	<u>2.35</u>	<u>926</u>	<u>1,534</u>	<u>1,460</u>	<u>789</u>	<u>1,342</u>	<u>609</u>
	5.29	2,087	2,766	2,236	1,559	2,022	1,249
TOTAL REVENUE FOR THE YEAR	<u>100.00</u>	<u>39,424</u>	<u>38,767</u>	<u>36,075</u>	<u>35,115</u>	<u>31,143</u>	<u>29,620</u>

Table 10.7(cont.)

METROPOLITAN TORONTO
AND ITS CONSTITUENT MUNICIPALITIES
COMPARISON OF REVENUE SOURCES OTHER THAN DIRECT TAXATION, GRANTS
IN LIEU, FEDERAL AND PROVINCIAL GRANTS
(expressed in thousands of dollars)

1973

	Toronto	East York	Etobicoke	North York	Scarborough	York	Metropolitan Toronto	Totals
Licences and permits	\$ 3,157	\$ 103	\$ 972	\$ 2,433	\$ 1,161	\$ 210	\$ 1,808	\$ 9,844
Rents, concessions and franchises	1,431	58	43	773	259	102	662	3,328
Service charges	162	468	1,256	1,459	2,014	486	9,067	14,912
Penalties and interest on taxes	2,283	136	473	472	384	210		3,958
Income from investments	2,401	168	992	2,098	952	128	1,623	8,362
Miscellaneous	1,697	412		995	1,367	942	735	6,148
Bell Telephone								
Metro	92)							240
School Boards	148)							
Fines								
Waterworks surplus			396		35	9	4,872	4,916
Totals	\$ 11,371	\$ 1,345	\$ 4,132	\$ 8,230	\$ 6,172	\$ 2,087	\$ 18,767	\$ 52,104
Total as a percentage of all revenue including taxation	3.58%	4.45%	3.61%	4.76%	5.93%	5.29%	3.10%	

Table 10.8

10.1 ROLE OF PROVINCIAL-MUNICIPAL AND FEDERAL-PROVINCIAL-MUNICIPAL TRANSFER PAYMENTS AND CONDITIONAL GRANTS

In the years 1967 to 1973 provincial and federal grants have played an increasingly major role in the incomes and expenditures of municipalities. Without this extensive participation Metropolitan Toronto could not have achieved the progress it has in this period, primarily because of the limited capacity of the property tax. Many of the grants however are conditional, and therefore reflect policy directions desired by the senior levels of government, which are sometimes at variance with those of the municipalities. Most of the federal grants are directed to municipalities through the province.

10.1.1 PROVINCIAL ROLE

Provincial grants are made to school boards, municipalities and many special purpose bodies and originate from thirteen separate ministries of the Province of Ontario. Many of the changes and increases in grants emanated from recommendations of the Ontario Committee on Taxation in 1967.

Total provincial grants to Metropolitan Toronto and its constituent municipalities increased by 91.3% in the six fiscal years from 1968-9 to 1973-4, or an average of 18.2% per annum. Education grants to the metropolitan area increased by 88.7% or an average of 17.7% per annum while conditional grants to municipalities, Metro and local boards increased 73.6% or 12.3% per annum and unconditional grants increased 224% in the six year period or 37.3% per annum. A complete analysis of increases in each category is shown in table 10.9. This table includes both operating and capital grants but does not include grants for administration of justice (taken over by the province), grants in lieu of taxes, or Ontario tax credit rebates, which are payable directly to the taxpayers.

Table 10.10 shows an increase in unconditional grants as a percentage of total grants.

	1973-4		1968-9	
	(expressed in thousands of dollars)			
	\$	%	\$	%
Unconditional grants *	45,392	11.0	14,011	6.5
Conditional grants				
Municipal	153,996	37.1	88,719	40.9
Education	<u>214,915</u>	51.9	<u>113,894</u>	52.6
	<u>368,911</u>	89.0	<u>202,613</u>	93.5
Total grants	<u>414,303</u>	100.0	<u>216,624</u>	100.0

Table 10.10

Detailed analyses of grants paid by the Province of Ontario in 1973-74 to municipalities and local boards in Metropolitan Toronto are shown in table 10.11. These grant tables do not include grants made for municipal functions which have been taken over by the province, such as administration of justice and payments in lieu of taxes, payments into teachers' superannuation funds, payments to offset property tax rebates (Ontario tax credits and farm tax rebates).

*unconditional grants are those defined as not being related to a type of individual expenditure.

GRANTS PAID BY ONTARIO TO MUNICIPALITIES AND LOCAL BOARDS

IN METROPOLITAN TORONTO

(expressed in thousands of dollars)

	1973-4 \$	1968-9 \$	Increase - Decrease	% Increase	Average % per annum Increase
Per capita	26,950	14,011	12,939	22.4	27.3
General support	15,579		15,579		
Resource equalization	<u>2,863</u>		<u>2,863</u>		
	45,392		31,381		
Conditional					
Emergency measures	243	343	- 100		
Public libraries	3,620	1,503	2,117		
Museums	28	7	21		
Children's Aid Societies	14,754	12,440	2,314		
Day Nurseries	4,575	1,221	3,354		
General welfare	25,441	19,737	5,705		
Homes for Aged	11,004	3,851	7,153		
Homemaking and nursing	931	478	453		
Community centres	498	50	448		
Arena managers	5		5		
Recreation	84	84			
Ambulance	3,335	468	2,867		
Boards of Health	2,771	1,984	787		
Community health	146	4	142		
Insulin and oral hypoglycaemic	56		56		
Venereal disease	7	19	- 12		
Home care	1,805		1,805		
Housing units for elderly	154		154		
Conservation areas	10,393	3,492	6,901		
Roads and transit	69,544	37,377	32,167		
Urban transportation studies	735		735		
Provincial Municipal employment incentive	2,436	3,151	- 715		
Other special grants					
T.E.I.G.A.	14	466	- 452		
Incentive grants	1,417		1,417		
Public housing		14	- 14		
Centennial		1,331	- 1,331		
Police L.C.B.O.		506	- 506		
Jails		<u>193</u>	<u>- 193</u>		
	153,996	88,719	65,278	73.6	12.3
Education	<u>214,915</u>	<u>113,894</u>	<u>101,021</u>	88.7	17.7
Total	<u>414,303</u>	<u>216,624</u>	<u>197,680</u>	91.3	18.2

Table 10.9

GRANTS PAID BY ONTARIO TO MUNICIPALITIES & LOCAL BOARDS IN METROPOLITAN TORONTO

	Metro Toronto	City Toronto	Borough Etobicoke	Borough Scarborough	Borough York	Borough York East	Borough York North	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$
Emergency Measures	243,220	-	-	-	-	-	-	243,220
Public Libraries	859,083	918,431	378,975	439,197	192,100	137,653	695,003	3,620,442
Museums	2,850	17,000	-	1,620	1,200	2,000	3,000	27,670
Children's Aid Societies	14,754,027	-	-	-	-	-	-	14,754,027
Day Nurseries	4,575,261	-	-	-	-	-	-	4,575,261
General Welfare Assistance	25,441,101	-	-	-	-	-	-	25,441,101
Homes for the Aged	11,004,714	-	-	-	-	-	-	11,004,714
Homemakers & Nursing Services	931,352	-	-	-	-	-	-	931,352
Community Centres	20,000	-	206,700	80,779	-	-	-	498,228
Arena Managers Program	1,200	-	1,200	1,200	-	600	190,749	5,400
Programs of Recreation	15,000	-	15,000	15,000	12,000	12,000	15,000	84,000
Ambulance Service	3,334,830	-	-	-	-	-	-	3,334,830
Boards of Health	-	1,361,300	323,300	374,400	164,900	114,700	432,200	2,770,800
Community Health Facilities	-	-	-	145,885	-	-	-	145,885
Insulin & Oral Hypoglycaemic Agents	2,298	27,729	4,963	6,477	1,452	2,099	10,907	55,925
Veneral Disease	-	-	595	6,410	-	-	-	7,005
Home Care Assistance	1,804,631	-	-	-	-	-	-	1,804,631
Housing Units for Elderly	154,000	-	-	-	-	-	-	154,000
Conservation Areas	10,393,303	-	-	-	-	-	-	10,393,303
Parks Assistance	-	-	-	-	-	-	-	-
Maintenance & Const. of Roadways	44,760,660	8,230,000	4,832,420	3,383,343	900,000	722,084	6,715,000	69,543,507
Urban Transport. Planning & Studies	735,458	-	-	-	-	-	-	735,458
General Support	3,677,921	5,378,783	1,626,418	1,806,589	711,838	388,141	1,989,290	15,578,980
Resource Equalization	-	-	-	1,094,989	1,767,336	-	-	2,862,325
Prov. Mun. Employment Incentive	1,168,872	915,595	9,485	70,184	170,351	72,500	28,785	2,435,772
Other Spec. Grants T.E.I.G.A.	818	4,132	-	2,846	3,720	-	2,302	13,818
Unconditional - Density, Police	26,949,949	-	-	-	-	-	-	26,949,949
Regional-Municipal-Spl.Assistance	-	-	-	-	-	-	-	-
Incentive Grants	-	538,619	223,339	176,485	71,678	59,886	346,384	1,416,391
TOTAL	150,830,548	17,391,589	7,622,395	7,605,404	3,996,575	1,511,663	10,429,820	199,387,994
Total Education Grants	-	80,474,093	34,014,412	26,950,498	11,434,307	8,969,917	53,072,015	214,915,242
GRAND TOTAL	150,830,548	97,865,682	41,636,807	34,555,902	15,430,882	10,481,580	63,501,835	414,303,236

Table 10.11

Railway relocation - up to 50% grants from the Ministry of
State for Urban Affairs.

Urban Demonstration - specialized programme for demonstration
research related to urban settlement problems.

In summary, the areas of high federal profile have been in
housing and redevelopment .

10.1.2 FEDERAL ROLE

Virtually all federal grants and loans come to municipalities through the province. A summary of the types of grants by the federal authorities can best illustrate their place in municipal projects as follows:

Winter works- programmes were announced and altered yearly but were suspended in 1974.

Water and sewer works - loans and subsidies primarily for sewage treatment plants.

Highways - federal-provincial cost sharing programmes primarily for Trans Canada highway construction.

Housing - public housing primarily in federal-provincial partnership.

Low rental housing - 95% to 100% financing for low rental project

Residential rehabilitation - loan assistance and partial forgiveness.

Housing research and development - federal-municipal partnership.

Redevelopment - CMHC urban renewal programmes were subsequently replaced by Neighbourhood Improvement Programmes.

Land assembly - federal-provincial-municipal partnerships which Ontario has largely abandoned in favour of provincial-municipal loan arrangements.

Site clearance - limited to clearance of substantial residential building linked to low income residential neighbourhoods.

11. ANALYSIS OF EXPENDITURE

Expenditures made by the municipalities are classified and reported according to instructions issued to the municipalities and municipal auditors by the Local Government Services Division of the Ministry of Treasury, Economics and Intergovernmental Affairs of Ontario. Tables 11.1 to 11.7 inclusive show detailed analyses of expenditures for Metropolitan Toronto and the area municipalities. The data used to prepare the tables for the area municipalities were extracted from their annual reports. The data for Metropolitan Toronto were extracted from the Corporation's reports to the Ministry of Treasury, Economics and Intergovernmental Affairs.

Since 1967 was the first year of the organization of Metropolitan Toronto as it now is, it would have been appropriate to consider that year in the analyses. However, the classification of expenditures was changed beginning in 1968 and a meaningful comparison with 1967 is not possible. The latest year for which audited financial data is available is 1973. It was thought unwise to present estimated data for 1974 since it might give an incorrect picture of the true expenditures.

ANALYSIS OF EXPENDITURE

FOR EACH OF YEARS ENDED DECEMBER 31

(expressed in thousands of dollars)

	1973 % of Total	1973 \$	1972 \$	1971 \$	1970 \$	1969 \$	1968 \$
GENERAL GOVERNMENT							
Members of Council	.08	479	524	362	342	326	323
General administration	.89	5,395	5,390	4,421	3,769	7,375	7,006
Unclassified	.14	837	400	176	95	95	227
	1.11	6,711	6,314	4,959	4,206	7,796	7,556
PROTECTION TO PERSONS AND PROPERTY							
Police	12.54	76,060	65,805	58,129	50,142	43,172	36,876
Street lighting	.04	256	276	229	269	172	220
Unclassified	.52	3,162	2,952	2,799	2,559	2,495	2,384
	13.10	79,478	69,033	61,157	52,970	45,839	39,480
TRANSPORTATION SERVICES							
Roadways	5.10	30,921	32,948	29,081	27,950	25,454	23,827
Transit	6.72	40,740	28,801	162	72		
Traffic control	.91	5,498	4,966	4,546	3,850	3,518	3,359
Parking	.01	56		466	428		
Drainage	.07	426	417			397	350
Unclassified	.26	1,603	1,420	1,173	1,019	961	1,114
	13.07	79,244	68,552	35,428	33,319	30,330	28,650
ENVIRONMENTAL SERVICES							
Sanitary sewer system	3.24	19,640	17,745	15,677	13,965	12,336	12,227
Garbage collection and disposal	1.70	10,307	8,931	7,906	6,739	5,685	5,134
Unclassified		14		8	6		3
	4.94	29,961	26,676	23,591	20,710	18,021	17,364
CONSERVATION OF HEALTH							
Hospital fees and premiums			250	1,244	1,165	1,008	933
Grants to public hospitals	.14	832	967	647	1,147	1,437	1,637
Unclassified	.57	3,478	2,996	2,774	2,486	2,032	1,645
	.71	4,310	4,213	4,665	4,798	4,477	4,215

FOR EACH OF YEARS ENDED DECEMBER 31

(expressed in thousands of dollars)

	1973	1973	1972	1971	1970	1969	1968
	% of Total	\$	\$	\$	\$	\$	\$
SOCIAL AND FAMILY SERVICES							
General assistance	6.64	40,262	46,497	55,773	41,175	28,296	25,936
Assistance to aged persons	3.82	23,084	20,597	18,060	13,631	10,757	10,166
Assistance to children	1.05	6,402	5,760	4,947	4,809	3,566	3,566
Day nurseries	.98	5,935	4,830	3,093	2,066	1,686	1,457
Unclassified	.83	5,050	4,562	2,028	997	892	762
	13.32	80,733	82,246	83,901	62,678	45,197	41,887
RECREATION AND COMMUNITY SERVICES							
Parks and Recreation	1.37	8,281	8,397	7,053	6,027	5,903	5,463
Libraries	.58	3,519	3,011	2,821	2,439	2,183	625
Other cultural facilities	.62	3,728	2,580	1,635	1,492	1,262	915
	2.57	15,528	13,988	11,509	9,958	9,348	7,003
COMMUNITY PLANNING AND DEVELOPMENT							
Planning and zoning	.20	1,203	977	870	826	687	633
Urban renewal	.02	145	147	156	147	147	147
Industrial development	.02	100	100	100	100	75	75
Unclassified	.08	483	485	373	293	173	137
	.32	1,931	1,709	1,499	1,366	1,082	992
FINANCIAL EXPENSES							
Interest on temporary borrowing	.19	1,152	1,014	1,746	3,045	1,594	1,604
Unclassified	.44	2,695	6,546	5,944	4,334	4,109	3,379
	.63	3,847	7,560	7,690	7,379	5,703	4,983
EDUCATION (net of provincial grants)							
Elementary - Public	28.44	172,470	174,712	164,727	177,332	148,336	136,370
Secondary	21.75	131,867	131,280	119,488	129,593	119,765	104,778
University and colleges	.04	264	264	264	264	264	240
	50.23	304,601	306,256	284,479	307,189	268,365	241,388
OTHER							
Public transit				23,474	20,214	19,505	18,998 *
TOTAL EXPENDITURE FOR YEAR	<u>100.00%</u>	<u>606,344</u>	<u>586,547</u>	<u>542,352</u>	<u>524,787</u>	<u>455,663</u>	<u>412,516</u>

* reclassify to Roads

Table 11.1 (cont.)

ANALYSIS OF EXPENDITURE

FOR EACH OF YEARS ENDED DECEMBER 31
(expressed in thousands of dollars)

	1973 % of Total	1973 \$	1972 \$	1971 \$	1970 \$	1969 \$	1968 \$
GENERAL GOVERNMENT							
Members of Council	.55	604	424	406	394	412	374
General administration	12.86	14,109	12,664	12,984	11,994	10,764	10,180
Unclassified	<u>1.40</u>	<u>1,538</u>	<u>1,664</u>	<u>1,565</u>	<u>1,581</u>	<u>1,380</u>	<u>1,461</u>
	14.81	16,251	14,752	14,955	13,969	12,556	12,015
PROTECTION TO PERSONS AND PROPERTY							
Fire	19.01	20,852	19,385	18,061	16,775	15,564	13,408
Police	.11	116	116	116	116	116	116
Protective inspections	3.11	3,403	3,136	2,900	2,589	2,342	2,202
Street lighting	1.29	1,417	1,461	1,403	1,414	1,244	1,176
Unclassified	<u>.19</u>	<u>218</u>	<u>598</u>	<u>269</u>	<u>180</u>	<u>157</u>	<u>152</u>
	23.71	26,006	24,696	22,749	21,074	19,423	17,054
PUBLIC WORKS							
Sidewalks	)			1,704	1,495	1,644	1,573
Roadways	12.78)	14,013	13,241	7,346	6,454	6,812	7,034
Roadway cleaning	)			4,101	4,007	3,034	2,688
Traffic control	.97	1,063	963	908	819	722	693
Drainage	3.22	3,541	2,981	4,446	4,249	2,994	3,138
Unclassified	<u>3.65</u>	<u>3,998</u>	<u>3,693</u>	<u>4,054</u>	<u>3,586</u>	<u>3,273</u>	<u>2,972</u>
	20.62	22,615	20,878	22,559	20,610	18,479	18,098
SANITATION AND WASTE DISPOSAL							
Sanitary sewer system	3.15	3,397	3,695	2,668	2,966	3,026	3,036
Garbage collection and disposal	5.22	5,731	5,703	4,959	4,840	4,835	5,217
Unclassified	<u>.48</u>	<u>531</u>	<u>526</u>	<u>513</u>	<u>441</u>	<u>514</u>	<u>328</u>
	8.85	9,659	9,924	8,140	8,247	8,375	8,581
CONSERVATION OF HEALTH							
Public health services	4.57	5,019	4,728	4,451	3,983	3,806	3,666
Public health inspections	.91	1,001	940	872	781	688	626
Grants to public hospitals						39	79
Unclassified	<u>.35</u>	<u>379</u>	<u>333</u>	<u>330</u>	<u>295</u>	<u>267</u>	<u>273</u>
	5.83	6,399	6,001	5,653	5,059	4,800	4,644

Table 11.2

CITY OF TORONTO

ANALYSIS OF EXPENDITURE

FOR EACH OF YEARS ENDED DECEMBER 31
(expressed in thousands of dollars)

	1973	1973	1972	1971	1970	1969	1968
% of Total	\$	\$	\$	\$	\$	\$	\$
SOCIAL AND FAMILY SERVICES							
General assistance		685	559	142	135		
Assistance to aged persons	.62						
Unclassified	<u>.26</u>	<u>285</u>	<u>135</u>			<u>233</u>	<u>549</u>
	.88	970	694	142	135	233	549
RECREATION AND COMMUNITY SERVICES							
Parks and recreation	13.22	14,495	12,859	11,901	11,120	10,144	10,154
Libraries	4.08	4,477	4,143	3,795	3,292	2,800	3,163
Other cultural facilities	1.65	1,818	1,257	1,419	1,471	1,038	826
Unclassified	<u>.19</u>	<u>210</u>	<u>532</u>	<u>333</u>	<u>313</u>	<u>228</u>	<u>191</u>
	19.14	21,000	18,791	17,448	16,196	14,210	14,334
COMMUNITY PLANNING AND DEVELOPMENT							
Planning and zoning	1.61	1,771	1,289	1,181	1,091	997	864
Urban renewal	1.40	1,543	1,368	1,321	1,159	956	829
Industrial development	.43	479	478	478	478	479	660
Unclassified	<u>.83</u>	<u>898</u>	<u>694</u>	<u>96</u>	<u>106</u>	<u>99</u>	<u>87</u>
	4.27	4,691	3,829	3,076	2,834	2,531	2,440
FINANCIAL EXPENSES							
Interest on temporary borrowing							
Discount on taxes	.07	76	73	114	102	97	97
Provision for allowances	.33	366	1,239	6,289	3,635	4,791	2,546
Provision for reserves	1.37	1,500	3,372	1,494	3,297	1,449	51
Unclassified		<u>4</u>	<u>(76)</u>	<u>392</u>	<u>65</u>	<u>138</u>	<u>107</u>
	1.77	1,946	4,608	8,289	7,099	6,475	2,801
OTHER EXPENSES							
	.12	138	126	110	91	32	32
TOTAL EXPENDITURE FOR YEAR (excluding Metro							
Toronto share of expenditure							
and education levies)	<u>100.00</u>	<u>109,675</u>	<u>104,299</u>	<u>103,121</u>	<u>95,314</u>	<u>87,114</u>	<u>80,548</u>

Table 11.2 (cont.)

ANALYSIS OF EXPENDITURE

FOR EACH OF YEARS ENDED DECEMBER 31
(expressed in thousands of dollars)

	1973	1973	1972	1971	1970	1969	1968
	% of total	\$	\$	\$	\$	\$	\$
GENERAL GOVERNMENT							
Members of Council	.88	82	71	70	61	51	46
General administration	10.60	988	994	737	707	751	639
Unclassified	.50	<u>47</u>	<u>36</u>	<u>39</u>	<u>31</u>	<u>29</u>	<u>24</u>
	11.98	1,117	1,101	846	799	831	709
PROTECTION TO PERSONS AND PROPERTY							
Fire	22.82	2,128	1,933	1,720	1,558	1,355	1,278
Protective inspections	1.02	95	118	99	88	83	80
Street lighting	2.54	237	209	193	187	183	168
Unclassified	.48	<u>45</u>	<u>45</u>	<u>41</u>	<u>39</u>	<u>30</u>	<u>26</u>
	26.86	2,505	2,305	2,053	1,872	1,651	1,552
PUBLIC WORKS							
Sidewalks	)			308	312	167	164
Roadways	10.55)	984	1,023	901	755	610	279
Roadway cleaning	)			76	87	104	55
Traffic control	.95	89	60	55	79	69	42
Drainage	2.19	203	203	210	175	135	
Unclassified	.42	<u>39</u>	<u>40</u>	<u>1</u>	<u>50</u>		<u>999</u>
	14.11	1,315	1,326	1,551	1,458	1,085	1,539
SANITATION AND WASTE DISPOSAL							
Sanitary sewer system	2.30	215	184	201	186	179	350
Garbage collection and disposal *	9.65	<u>899</u>	<u>809</u>	<u>801</u>	<u>760</u>	<u>782</u>	<u>585*</u>
	11.95	1,114	993	1,002	946	961	935
CONSERVATION OF HEALTH							
Public health services	4.28	399	402	421	355	307	285
RECREATION AND COMMUNITY SERVICES							
Parks and recreation	17.35	1,618	1,492	1,536	1,449	1,336	1,237
Libraries	6.45	601	552	494	468	387	329
Other cultural facilities	.33	31	51	28	31	25	39
Unclassified	.22	<u>20</u>	<u>28</u>				
	24.35	2,270	2,123	2,058	1,948	1,748	1,605

ANALYSIS OF EXPENDITURE

FOR EACH OF YEARS ENDED DECEMBER 31
(expressed in thousands of dollars)

	1973 % of total	1973 \$	1972 \$	1971 \$	1970 \$	1969 \$	1968 \$
COMMUNITY PLANNING AND DEVELOPMENT							
Planning and zoning	1.30	121	106	100	85	81	70
Unclassified	<u>.01</u>	<u>1</u>					
	1.31	122	106	100	85	81	70
FINANCIAL EXPENSES							
Interest on temporary borrowing						1	2
Provision for allowances	1.90	177	203	148		5	136
Unclassified	<u>3.11</u>	<u>290</u>	<u>124</u>	<u>88</u>	<u>140</u>	<u>555</u>	<u>498</u>
	5.01	467	327	236	140	561	636
OTHER EXPENSES							
Local improvement charges for watermains	.15	14	14	14	15	14	
Deferred revenue adjustment	<u>.15</u>	<u>14</u>	<u>3</u>	<u>1</u>			
			17	15	15	14	
TOTAL EXPENDITURE FOR YEAR (excluding Metro Toronto share of expenditure and education levies)							
	<u>100%</u>	<u>9,323</u>	<u>8,700</u>	<u>8,282</u>	<u>7,618</u>	<u>7,239</u>	<u>7,331</u>

Table 11.3 (cont..)

* 1968 shows garbage collection on a net cost basis while 1969 to 1973 is on a gross cost basis.
Comparative actual net costs are: 1973 1972 1971 1970 1969 1968
625 590 629 620 554 585

ANALYSIS OF EXPENDITURE

FOR EACH OF YEARS ENDED DECEMBER 31
(expressed in thousands of dollars)

	1973	1973	1972	1971	1970	1969	1968
	% of total	\$	\$	\$	\$	\$	\$
GENERAL GOVERNMENT							
Members of Council	.65	240	208	189	181	167	123
General administration	7.88	2,908	2,862	2,421	2,300	2,175	1,919
Unclassified	.02	10	13	14	14	32	74
	8.55	3,158	3,083	2,624	2,495	2,374	2,116
PROTECTION TO PERSONS AND PROPERTY							
Fire	13.55	5,001	4,589	4,167	3,734	3,104	2,849
Protective inspections	1.62	599	566	527	488	447	389
Street lighting	2.50	921	846	784	697	642	577
Unclassified	.74	273	218	339	176	187	158
	18.41	6,794	6,219	5,817	5,095	4,380	3,973
PUBLIC WORKS							
Sidewalks	)	)	)	426	445	442	410
Roadways	14.76	5,448	5,251	4,262	3,982	3,614	3,228
Roadway cleaning	)	)	)	199	169	198	165
Traffic control	.94	343	332	280	204	164	154
Drainage	7.26	2,678	2,713	2,399	2,012	1,772	1,714
Unclassified				100	354	122	151
	22.96	8,469	8,296	7,666	7,166	6,312	5,822
SANITATION AND WASTE DISPOSAL							
Sanitary sewer system	4.64	1,707	1,775	1,584	1,642	1,776	1,764
Garbage collection and disposal	6.03	2,226	2,140	2,050	1,990	1,859	1,787
Waterworks	.39	145	170				
	11.06	4,078	4,085	3,634	3,632	3,635	3,551
CONSERVATION OF HEALTH							
Public health services	3.42	1,263	1,094	911	745	647	585
Public health inspections	.46	171	158	133	119	100	75
Grants to public hospitals	2.68	990	970	934	913	883	873
	6.56	2,424	2,222	1,978	1,777	1,630	1,533

ANALYSIS OF EXPENDITURE

FOR EACH OF YEARS ENDED DECEMBER 31
(expressed in thousands of dollars)

	1973	1973	1972	1971	1970	1969	1968
	% of total	\$	\$	\$	\$	\$	\$
RECREATION AND COMMUNITY SERVICES							
Parks and recreation	20.11	7,423	6,618	5,431	4,337	3,665	3,261
Libraries	6.36	2,348	2,155	1,873	1,622	1,521	1,404
Other cultural facilities	.32	115	9	12	9	138	9
	26.79	9,886	8,782	7,316	5,968	5,324	4,674
COMMUNITY PLANNING AND DEVELOPMENT							
Planning and zoning	1.10	403	375	349	340	310	315
Industrial development	.11	41	1	1	1	11	29
Unclassified	.08	30					
	1.29	474	376	350	341	321	344
FINANCIAL EXPENSES							
Interest on temporary borrowing	.02	6	44	58	52	66	64
Provision for allowances	.69	255	101			2	
Provision for reserves	2.47	912	879	915	382	375	18
Unclassified	1.20	444	227	1,000	662	775	942
	4.38	1,617	1,251	1,973	1,096	1,218	1,024
TOTAL EXPENDITURE FOR YEAR (excluding							
Metro Toronto share of expenditure	100%	36,900	34,314	31,358	27,570	25,194	23,037
and education levies							

Table 11.4(cont.)

ANALYSIS OF EXPENDITURE

FOR EACH OF YEARS ENDED DECEMBER 31
(expressed in thousands of dollars)

	1973 % of total	1973 \$	1972 \$	1971 \$	1970 \$	1969 \$	1968 \$
GENERAL GOVERNMENT							
Members of Council	1.05	568	269	202	217	194	155
General administration	4.06	2,195	2,002	1,809	1,635	1,467	1,428
Unclassified	<u>.72</u>	<u>390</u>	<u>554</u>	<u>277</u>	<u>318</u>	<u>275</u>	<u>125</u>
	5.83	3,153	2,825	2,288	2,170	1,936	1,708
PROTECTION TO PERSONS AND PROPERTY							
Fire	13.65	7,380	6,586	5,807	4,889	3,789	3,345
Protective inspections	2.16	1,162	1,092	988	894	781	696
Street lighting	2.19	1,187	1,011	952	899	820	734
Unclassified	<u>.39</u>	<u>212</u>	<u>119</u>	<u>117</u>	<u>113</u>	<u>107</u>	<u>107</u>
	18.39	9,941	8,808	7,864	6,795	5,497	4,882
PUBLIC WORKS							
Sidewalks	)	)		1,909	1,352	1,050	951
Roadways	14.10	7,624	8,663	8,247	6,498	6,211	6,714
Roadway cleaning	1.22	664	552		285	309	237
Traffic control				480	404	379	131
Drainage	4.78	2,585	2,372	1,763	83		
Unclassified	<u>7.52</u>	<u>4,063</u>	<u>5,389</u>	<u>2,549</u>	<u>1,786</u>	<u>1,651</u>	<u>1,707</u>
	27.62	14,936	16,976	14,948	10,408	9,600	9,740
SANITATION AND WASTE REMOVAL							
Sanitary sewer system	3.53	1,916	1,861	1,371	2,918	2,679	2,534
Garbage collection and disposal	<u>6.30</u>	<u>3,401</u>	<u>3,143</u>	<u>3,063</u>	<u>2,876</u>	<u>2,681</u>	<u>2,384</u>
	9.83	5,317	5,004	4,434	5,794	5,360	4,918
CONSERVATION OF HEALTH							
Public health services	5.20	2,814	2,508	1,958	1,608	1,410	1,243
Grants to public hospitals	<u>1.90</u>	<u>1,023</u>	<u>664</u>	<u>636</u>	<u>642</u>	<u>1,075</u>	<u>1,186</u>
	7.10	3,837	3,172	2,594	2,250	2,485	2,429

Table 11.5

ANALYSIS OF EXPENDITURE

FOR EACH OF YEARS ENDED DECEMBER 31
(expressed in thousands of dollars)

	1973	1973	1972	1971	1970	1969	1968
	% of total	\$	\$	\$	\$	\$	\$
RECREATION AND COMMUNITY SERVICES							
Parks and recreation	15.72	8,504	6,704	7,357	5,123	4,415	3,566
Libraries	8.83	4,775	4,423	3,842	3,299	2,479	2,077
Other cultural facilities	.18	96	87	26	23	24	25
	24.73	13,375	11,214	11,225	8,445	6,918	5,668
COMMUNITY PLANNING AND DEVELOPMENT							
Planning and zoning	1.10	594	479	439	418	408	369
Industrial development							34
Unclassified				234	238	272	242
	1.10	594	479	673	656	680	645
FINANCIAL EXPENSES	5.31	2,874	950	1,403	1,363	128	244
Unclassified							
OTHER EXPENDITURE							
Waterworks	.09	47	242				
Other owners' share of local improvements				1,929	2,186	2,182	2,378
	.09	47	242	1,929	2,186	2,182	2,378
TOTAL EXPENDITURE FOR YEAR (excluding Metro Toronto share of expenditure and education levies)	100%	54,074	49,670	47,358	40,067	34,786	32,612

Table 11.5(cont.)

SCARBOROUGH

ANALYSIS OF EXPENDITURE

FOR EACH OF YEARS ENDED DECEMBER 31

(expressed in thousands of dollars)

	1973 % of Total	1973 \$	1972 \$	1971 \$	1970 \$	1969 \$	1968 \$
GENERAL GOVERNMENT							
Members of Council	.75	302	224	218	217	192	158
General administration	8.45	3,408	2,868	2,271	2,163	2,165	1,858
Unclassified	<u>1.94</u>	<u>781</u>	<u>478</u>	<u>541</u>	<u>334</u>	<u>253</u>	<u>548</u>
	11.14	4,491	3,570	3,030	2,714	2,610	2,564
PROTECTION TO PERSONS AND PROPERTY							
Fire	11.41	4,597	4,326	3,971	3,588	3,038	2,570
Protective inspections	2.97	1,197	1,028	898	737	689	588
Street lighting	2.70	1,089	1,008	714	573	590	578
Unclassified	<u>.66</u>	<u>266</u>	<u>256</u>	<u>229</u>	<u>263</u>	<u>163</u>	<u>137</u>
	17.74	7,149	6,618	5,812	5,161	4,480	3,873
PUBLIC WORKS							
Sidewalks	18.54	7,471	6,736	376	319	277	269
Roadways				6,664	5,575	4,410	4,481
Roadway cleaning	1.26	508	427	257	214	163	137
Traffic control	<u>.80</u>	<u>322</u>	<u>310</u>	<u>333</u>	<u>290</u>	<u>260</u>	<u>261</u>
Drainage	20.60	8,301	7,473	101	142	129	144
				7,731	6,540	5,239	5,292
SANITATION AND WASTE REMOVAL							
Sanitary sewer system	8.78	3,535	3,272	3,074	2,940	3,099	2,853
Garbage collection and disposal	6.24	2,515	2,266	1,868	1,679	1,548	1,658
Unclassified	<u>1.23</u>	<u>498</u>	<u>503</u>	<u>464</u>	<u>426</u>	<u>386</u>	<u>367</u>
	16.25	6,548	6,041	5,406	5,045	5,033	4,878
CONSERVATION OF HEALTH							
Public health services	2.92	1,176	1,066	844	882	742	605
Grants to public hospitals	<u>.93</u>	<u>373</u>	<u>376</u>	<u>377</u>	<u>380</u>	<u>380</u>	<u>339</u>
	3.85	1,549	1,442	1,221	1,262	1,122	944

SCARBOROUGH

ANALYSIS OF EXPENDITURE

FOR EACH OF YEARS ENDED DECEMBER 31

(expressed in thousands of dollars)

	1973	1973	1972	1971	1970	1969	1968
	% of Total	\$	\$	\$	\$	\$	\$
RECREATION AND COMMUNITY SERVICES							
Parks and recreation	14.33	5,775	4,975	3,853	3,526	2,701	1,800
Libraries	6.12	2,467	2,303	2,018	1,676	1,576	1,332
	20.45	8,242	7,278	5,871	5,202	4,277	3,132
COMMUNITY PLANNING AND DEVELOPMENT							
Planning and zoning	1.86	751	684	286	301	240	222
Unclassified	.12	47	29				
	1.98	798	713	286	301	240	222
FINANCIAL EXPENSES							
Interest on temporary borrowing				8	8	9	9
Discount on taxes		4	4	4	7	5	7
Provision for allowances	.02	7	1	18	1	1	11
Provision for reserves	5.07	2,043	3,245	1,800	860	825	185
Unclassified	2.64	1,065	1,990	687	335	240	149
	7.73	3,119	5,240	2,517	1,211	1,080	361
Other expenditure							
Local improvement charges for watermain	2.60	106	107	102	119	134	169
Excess deferred revenue						147	
TOTAL EXPENDITURE FOR YEAR (excluding Metro							
Toronto share of expenditure and	100.00	40,303	38,482	31,976	27,555	24,362	21,435
education levies)							

Table 11.6 (cont.)

ANALYSIS OF EXPENDITURE

FOR EACH OF YEARS ENDED DECEMBER 31
(expressed in thousands of dollars)

	1973 % of total	1973 \$	1972 \$	1971 \$	1970 \$	1969 \$	1968 \$
GENERAL GOVERNMENT							
Members of Council	1.17	189	129	122	100	101	85
General administration	8.00	1,287	1,114	1,005	859	796	883
Unclassified	<u>1.45</u>	<u>232</u>	<u>385</u>	<u>379</u>	<u>360</u>	<u>171</u>	<u>98</u>
	10.62	1,708	1,628	1,506	1,319	1,068	1,066
PROTECTION TO PERSONS AND PROPERTY							
Fire	18.31	2,946	2,659	2,436	2,145	1,796	1,648
Protective inspections	2.27	366	319	253	215	182	146
Street lighting	2.15	344	301	255	298	242	241
Unclassified			<u>2</u>	<u>40</u>	<u>29</u>	<u>23</u>	<u>25</u>
	22.73	3,656	3,281	2,984	2,687	2,243	2,060
PUBLIC WORKS							
Sidewalks	)			247	225	189	232
Roadways	)	1,813	1,374	1,101	1,065	1,417	959
Roadway cleaning	)			167	153	187	170
Traffic control	1.30	209	210	198	172	159	127
Drainage						1	
Unclassified	<u>5.21</u>	<u>839</u>	<u>854</u>	<u>530</u>	<u>410</u>	<u>352</u>	<u>397</u>
	17.78	2,861	2,438	2,243	2,025	2,305	1,885
SANITATION AND WASTE DISPOSAL							
Sanitary sewer system	5.69	915	906	867	790	574	542
Garbage collection and disposal	<u>6.11</u>	<u>984</u>	<u>1,142</u>	<u>1,078</u>	<u>1,018</u>	<u>982</u>	<u>963</u>
	11.80	1,899	2,048	1,945	1,808	1,556	1,505
CONSERVATION OF HEALTH							
Public health services	5.95	957	865	788	708	652	588
Public health inspections	.40	64	62	50	51	41	37
Hospital fees and premiums	2.22	358	359	57	57	57	336
Grants to public hospitals					<u>1</u>	<u>1</u>	<u>1</u>
Unclassified							
	8.57	1,379	1,286	895	817	751	962

ANALYSIS OF EXPENDITURE

FOR EACH OF YEARS ENDED DECEMBER 31
(expressed in thousands of dollars)

	1973	1973	1972	1971	1970	1969	1968
	% of total	\$	\$	\$	\$	\$	\$
SOCIAL AND FAMILY SERVICES							
Assistance to aged persons	.13	21	23	21	21	19	18
Assistance to children	<u>.01</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>		
	.14	23	25	23	23	19	18
RECREATION AND COMMUNITY SERVICES							
Parks and recreation	17.88	2,876	2,784	2,194	1,822	1,570	1,493
Libraries	<u>4.32</u>	<u>696</u>	<u>636</u>	<u>588</u>	<u>471</u>	<u>470</u>	<u>386</u>
	22.20	3,572	3,420	2,782	2,293	2,040	1,879
COMMUNITY PLANNING AND DEVELOPMENT							
Planning and zoning	1.56	251	235	232	213	189	159
FINANCIAL EXPENSES							
Interest on temporary borrowing	.25	41	16	5	5	11	6
Provision for allowances	.25	40	35			4	
Provision for reserves			98	53	15	45	57
Unclassified	<u>2.68</u>	<u>429</u>	<u>297</u>	<u>550</u>	<u>228</u>	<u>335</u>	<u>283</u>
	3.18	510	446	608	248	395	346
OTHER EXPENDITURE	<u>1.42</u>	<u>227</u>	<u>367</u>	<u>402</u>	<u>324</u>	<u>322</u>	<u>322</u>
TOTAL EXPENDITURE FOR YEAR (excluding							
Metro Toronto share of expenditure	100%	16,086	15,174	13,620	11,757	10,888	10,202
and education levies)							

Table 11.7(cont.)

12. COMPARATIVE ANALYSIS OF EXPENDITURES

A comparative analysis of the expenditures of the area municipalities and Metropolitan Toronto for the years 1973 and 1968 based on a percentage of the total spent on various functions has some interesting contrasts. These contrasts reflect for the most part the differing needs and priorities of the municipalities. Table 12.1 shows the analysis for each of 1973 and 1968.

General Government - The percentage of the total operating budget spent on general government in 1973 ranged from a high of 14.8% for the City of Toronto to 5.8% for North York and 2.2% for Metro. The total spent on general government in the area municipalities and Metro represented 6.4% of total expenditures compared to a provincial average of 8.3%. Expenditures designated as general government in the City which are not normally found in the other municipalities include: (1) a Development Department involved in a neighbourhood improvement programme and pedestrian malls, (2) an Audit Department, (3) a Department of Purchasing and Supply and (4) a Department of Budgets and Accounts. The percentage of the total spent on general government by all the municipalities was down 1.6% from 1968.

Protection - includes firefighting, protective inspections and street lighting in the area municipalities and police, licencing and emergency services in Metropolitan Toronto. The percentage of the operating budget spent on protection ranged from 26.9% in East York to 26.3% in Metro to 17.7% in Scarborough. The total expenditure by all the municipalities represented 23.9% of their total operating budgets compared to a provincial average of 20.9%. The percentage of the total was up 2.9% from 1968. The high labour content involved in providing these services suggests that expenditures in this category will rise at almost the same rate as wages in the future.

Note: The provincial average percentage is based on expenditures by all municipalities in Ontario in 1973.

Public Works - includes roadways, sidewalks, traffic control, drainage, engineering and snow removal. The percentage of the operating budget spent on public works ranged from 27.6% in North York to 26.3% in Metropolitan Toronto to 14.1% in East York. The total expenditure by all municipalities represented 24.2% of the budget compared to a provincial average of 25.3%. The percentage of the total was down 1.8% from 1968.

The large and developing outer boroughs spent a larger percentage of their budgets on public works. As development slows the trend is toward spending on other services.

Sanitation - includes maintenance of the sanitary sewerage system and garbage collection in the area municipalities and trunk sewers, treatment plants and garbage disposal in Metropolitan Toronto. The percentage of the operating budget spent on sanitation in 1973 ranged from 16.3% in Scarborough to 9.9% in Metropolitan Toronto to 8.8% in the City. The total expenditure by all municipalities represented 10.3% of the budget compared to a provincial average of 9.4%. The percentage of the total was down 1.8% from 1968.

Health, Social and Family Services - includes public health services, public health inspections and grants to public hospitals in the area municipalities and health, welfare and hospitals in Metropolitan Toronto. The percentage of the operating budget spent on health, social and family services in 1973 ranged from 28.2% in Metro to 8.7% in York to 3.8% in Scarborough. The total expenditure by all municipalities represented 18.0% of the budget compared to a provincial average of 13.3%. The percentage of the total was up 1.4% from 1968.

Recreation and Community - includes parks, recreation, libraries and other community services. The percentage of the operating budget spent on recreation and community services ranged from 26.8% in Etobicoke to 19.2% in the City of Toronto to 5.1% in Metropolitan Toronto. The total expenditure by all municipalities represented 13.0% of the budget compared to a provincial average of 10.4%. The percentage of the total was up 1.9% from 1968.

Community Planning - The percentage of the operating budget spent on community planning in 1973 ranged from 4.3% for the City to 1.1% in North York to 0.7% in Metropolitan Toronto. The total expenditure by all municipalities represented 1.6% of the total, up 0.2% from 1968. A provincial average was not available for 1973.

Financial and Other - Financial expenditures are those related to the costs of handling money such as interest charges, bank service charges and foreign exchange charges. The percentage of the operating budget used for financial and other expenses in 1973 ranged from 8.0% in Scarborough to 1.9% in the City of Toronto to 1.3% in Metropolitan Toronto. The total expenditure by all municipalities represented 2.6% of the total compared to a provincial average of 12.4%. The percentage was down 0.8% from 1968. The figures indicate Metropolitan Toronto and area municipality treasurers are having more success at managing their finances than most municipalities in Ontario.

The trends between 1968 and 1973 represent a shift from 'hard' services, such as public works and sanitation, to 'soft' services, such as protection, health, social and family services and recreation and community services. The 'soft' services tend to be people oriented in terms of people both receiving and providing the service. The total cost of general government and finance tended to remain a constant percentage.

The wage and salary increases of 1974 and those forecast for 1975 will tend to increase the shift of municipal expenditures towards the 'soft' services. As this trend increases it may become more difficult to justify raising the revenue to support these services from the property assessment base.

METROPOLITAN TORONTO AND AREA MUNICIPALITIES

1973 EXPENDITURE - COMPARATIVE ANALYSIS

(expressed in thousands of dollars)

	Toronto	%	East York	%	Etobicoke	%	North York	%	Scarbo- rough	%	York	%	Metro	%	Total	%	Provin- cial
General government	16,251	14.8	1,117	12.0	3,158	8.5	3,153	5.8	4,491	11.1	1,708	10.6	6,711	2.2	36,589	6.4	8.3
Protection	26,006	23.7	2,505	26.9	6,794	18.4	9,941	18.4	7,150	17.7	3,656	22.7	79,478	26.3	135,530	23.9	20.9
Public works	22,615	20.6	1,315	14.1	8,469	22.9	14,936	27.6	8,301	20.6	2,861	17.8	79,244	26.3	137,741	24.2	25.3
Sanitation	9,659	8.8	1,114	11.9	4,078	11.1	5,317	9.8	6,547	16.3	1,899	11.8	29,961	9.9	58,575	10.3	9.4
Health, social & family	7,369	6.7	399	4.3	2,424	6.6	3,836	7.1	1,549	3.8	1,403	8.7	85,042	28.2	102,022	18.0	13.3
Recreation & community	21,000	19.2	2,269	24.3	9,886	26.8	13,375	24.8	8,242	20.5	3,572	22.2	15,328	5.1	73,872	13.0	10.4
Community planning	4,691	4.3	122	1.3	474	1.3	595	1.1	798	2.0	251	1.6	1,931	.7	8,862	1.6	
Financial & other	2,084	1.9	482	5.2	1,617	4.4	2,922	5.4	3,225	8.0	736	4.6	3,847	1.3	14,913	2.6	12.4
	109,675	100.0	9,323	100.0	36,900	100.0	54,075	100.0	40,303	100.0	16,086	100.0	301,742	100.0	568,104	100.0	100.0

1968 EXPENDITURE - COMPARATIVE ANALYSIS

General government	12,015	14.9	709	9.7	2,116	9.2	1,708	5.2	2,564	11.9	1,066	10.4	7,556	4.4	27,734	8.0	
Protection	17,054	21.2	1,552	21.2	3,973	17.2	4,882	14.9	3,873	18.1	2,060	20.2	39,480	23.1	72,874	21.0	
Public works	18,098	22.5	1,539	21.0	5,822	25.3	9,740	30.0	5,292	24.7	1,885	18.5	47,648	27.8	90,024	26.0	
Sanitation	8,581	10.7	935	12.7	3,551	15.4	4,918	15.1	4,878	22.8	1,505	14.8	17,364	10.1	41,732	12.1	
Health, social & family	5,193	6.4	285	3.9	1,533	6.7	2,429	7.4	944	4.4	980	9.6	46,102	27.0	57,466	16.6	
Recreation & community	14,334	17.8	1,605	21.9	4,674	20.3	5,668	17.4	3,132	14.6	1,879	18.4	7,003	4.1	38,295	11.1	
Community planning	2,440	3.0	70	.9	344	1.5	645	2.0	222	1.0	159	1.6	992	.6	4,872	1.4	
Financial & other	2,834	3.5	636	8.7	1,024	4.4	2,622	8.0	530	2.5	668	6.5	4,983	2.9	13,297	3.8	
	80,549	100.0	7,331	100.0	23,037	100.0	32,612	100.0	21,435	100.0	10,202	100.0	171,128	100.0	346,294	100.0	

Table 12.1

12.1 COMPARATIVE ANALYSIS OF SELECTED SERVICES

A comparative analysis of selected services provided by the area municipalities to their residents based on operating expenditure per capita and operating expenditure per \$1,000 of assessment is a measure of the level of service and the ability to support it. The years 1973 and 1968 were chosen to be compared for reasons explained previously. The comparisons are influenced by several factors including (1) differing interpretations by each municipality and special purpose bodies of the classification of expenditure, (2) capital expenditures are sometimes funded out of the general revenue fund, (3) varying amounts of money available from provincial grants and (4) the needs of a growing municipality (outer boroughs) may differ from those of an established municipality.

12.1.1 COMPARISON OF TOTAL MUNICIPAL EXPENDITURES

Table 12.2 shows a comparison of total municipal expenditures by the area municipalities (excluding Metropolitan Toronto and education spending). Total per capita operating expenditures in 1973 ranged from \$162.09 in the City of Toronto to \$88.50 in East York. Increases in per capita expenditure between 1968 and 1973 ranged from a high of 55.4% in York to a low of 18.6% in East York. The average increase was 37.5%. Expenditures per \$1,000 of assessment in 1973 ranged from \$54.22 in Scarborough to \$54.12 in York to \$35.01 in East York. The rate of increase was 47.2% in Scarborough, 47.1% in York and 16.4% in East York.

In the years 1967 to 1973 the taxable assessment increased by less than 15% in the City and inner boroughs. The rate of increase in the outer boroughs was over 23% with North York being the highest at 44.3%.

COMPARISON OF TOTAL MUNICIPAL EXPENDITURES

(excluding Metropolitan Toronto share of expenditure and education levies)

(expenditure expressed in thousands of dollars)

	1973		1968		Increase per capita	Assessment		Expenditure Increase per \$1,000 of assessment		Average P.A. %
	Popu- lation \$	Expend- iture \$	Popu- lation \$	Expend- iture \$		1973 \$	1968 \$	1973 \$	1968 \$	
Toronto	676,363	109,675	685,655	80,549	44.61	2,354,064	2,125,299	46.59	37.90	22.9
East York	105,340	9,323	98,230	7,331	13.87	266,290	243,628	35.01	30.09	16.4
Etobicoke	286,106	36,900	268,008	23,037	43.01	935,871	784,677	39.43	29.36	34.3
North York	527,564	54,075	425,016	32,612	25.77	1,453,493	1,074,893	37.20	30.34	22.6
Scarborough	362,005	40,303	281,454	21,435	35.17	743,373	582,027	54.22	36.83	47.2
York	142,297	16,086	140,275	10,202	40.32	297,043	277,099	54.15	36.82	47.1
	2,099,675	266,362	1,898,638	175,166	34.60	6,050,134	5,087,623	44.03	34.43	27.9

Table 12.2

12.1.2 COMPARISON OF GENERAL GOVERNMENT EXPENDITURES

Table 12.3 shows per capita expenditure on general government in 1973 ranged from a high of \$24.02 in the City of Toronto to \$5.97 in North York. The range of per capita expenditure in the other municipalities was \$10.60 to \$12.40 compared to an average of \$14.23.

The expenditures per \$1,000 of assessment in 1973 ranged from \$6.90 in the City of Toronto to \$2.17 in North York. The increase from 1968 to 1973 ranged from 49% in York to 42% in East York to 22% in the City of Toronto.

COMPARISON OF GENERAL GOVERNMENT EXPENDITURES

(expenditure expressed in thousands of dollars)

	1973		1968		Increase per capita \$	Increase per capita %	Assessment		Expenditure per \$1,000 of assessment 1973	Expenditure per \$1,000 of assessment 1968	Increase per \$1,000 of assessment %	Average P.A. %			
	Popu- lation	Expend- iture \$	Per capita \$	Popu- lation			Expend- iture \$	1973 \$					1968 \$		
Toronto	676,363	16,251	24.02	685,655	12,015	17.52	6.50	37.1	2,354,064	2,125,299	6.90	5.65	1.25	22	4.4
East York	105,340	1,117	10.60	98,230	709	7.22	3.38	46.8	266,290	243,628	4.20	2.91	1.29	42	8.4
Etobicoke	286,106	3,158	11.03	268,008	2,116	7.89	3.14	39.8	935,871	784,677	3.37	2.70	.67	25	5.0
North York	527,564	3,153	5.97	425,016	1,708	4.00	1.97	49.2	1,453,493	1,074,893	2.17	1.59	.58	36	7.2
Scarborough	362,005	4,491	12.40	281,454	2,564	9.10	3.30	36.2	743,373	582,027	6.04	4.41	1.63	37	7.4
York	142,297	1,708	12.00	140,275	1,066	7.60	4.40	57.9	297,043	277,099	5.75	3.85	1.90	49	9.8
	2,099,675	29,878	14.2	1,898,638	20,178	10.63	3.60	33.9	6,050,134	5,087,623	4.94	3.97	0.97	24	4.8

Table 12.3

12.1.3 COMPARISON OF FIRE PROTECTION EXPENDITURES

Table 12.4 shows per capita expenditure on fire protection in 1973 ranged from a high of \$30.83 in the City of Toronto to a low of \$12.70 in Scarborough. The City of Toronto expenditure per capita was 48.9% higher than the next highest, York, and 143.7% higher than Scarborough.

The expenditures per \$1,000 of assessment in 1973 ranged from a high of \$9.91 in York to \$5.07 in North York. The rate of increase from 1968 to 1973 was highest at 67% in York and lowest at 40% in Scarborough and the City of Toronto.

The high per capita costs of fire protection in the City of Toronto can be explained by the many high-rise office buildings to be protected in relation to the permanent population. In terms of expenditure per \$1,000 of assessment the City is second highest but still 24.8% higher than the average for the whole area.

COMPARISON OF FIRE DEPARTMENT EXPENDITURES
(expressed in thousands of dollars)

	1973		1968		Increase		Assessment		Expenditure		Increase		Per		Increase		Per		Average	
	Population	Expendi- ture \$	Per Capita \$	Population	Expendi- ture \$	Per Capita \$	1973 \$	1968 \$	1973 \$	1968 \$	Per \$	%	1973 \$	1968 \$	Per \$	%	1973 \$	1968 \$	Per \$	P.A. %
Toronto	676,363	20,852	30.83	595,655	13,408	19.56	11.27	57.6	2,354,064	2,125,299	8.85	6.31	2.54	40	8.0					
East York	105,340	2,128	20.20	98,230	1,278	13.01	7.19	55.3	266,290	243,628	7.99	5.25	2.74	52	10.4					
Etobicoke	286,106	5,001	17.49	268,008	2,849	10.63	6.86	64.5	935,871	784,677	5.34	3.63	1.71	47	9.4					
North York	527,564	7,380	13.99	425,016	3,345	7.87	6.12	77.8	1,453,493	1,074,893	5.07	3.11	1.96	63	12.6					
Scarborough	362,005	4,597	12.70	281,454	2,570	9.13	3.57	39.1	743,373	582,027	6.18	4.42	1.76	40	8.0					
York	142,297	2,946	20.70	140,275	1,648	11.74	8.96	76.3	297,043	277,099	9.91	5.94	3.97	67	13.4					
	<u>2,099,675</u>	<u>42,904</u>	<u>20.44</u>	<u>1,898,638</u>	<u>25,098</u>	<u>13.22</u>	<u>7.22</u>	<u>54.6</u>	<u>6,050,134</u>	<u>5,087,623</u>	<u>7.09</u>	<u>4.93</u>	<u>2.16</u>	<u>44</u>	<u>8.8</u>					

Table 12.4

12.1.4 COMPARISON OF SANITARY SEWER SYSTEM EXPENDITURES

Table 12.5 shows per capita expenditures on sanitary sewer systems in 1973 ranged from \$9.76 in Scarborough to \$2.04 in East York. Per capita spending on the sewer system in four of the six municipalities decreased from 1968 to 1973. However, based on 1968 figures per capita sewer system costs have also been rising in East York as well as in the City of Toronto and the Borough of York.

Expenditures per \$1,000 assessment followed similar patterns of per capita expenditures in the years 1968 to 1973. It seems natural that sanitary sewer system maintenance costs in the older parts of Metropolitan Toronto should be higher than the outer boroughs because of the age of the facilities.

COMPARISON OF SANITARY SEWER SYSTEM EXPENDITURES
(expenditure expressed in thousands of dollars)

(expenditure expressed in thousands of dollars)																
	1973				1968				Increase		Assessment		Per \$1000 of Assessment 1973	Per \$1000 of Assessment 1968	Increase per \$1000 of Assessment	Average of P.A. %
	Population	Expen - diture		Per Capita	Population	Expen- diture		Per Capita	%	1973	1968					
		\$	\$			\$	\$					\$				
Toronto	676,363	3,395	5.02	685,655	3,036	4.43	.59	13.3	2,354,064	2,125,299	1.44	1.43	.01	.7	.14	
East York	105,340	215	2.04	98,230	350	3.56	(1.52)	(42.7)	266,290	243,628	.81	1.44	(.63)	(43.8)	8.75	
Etobicoke	286,106	1,707	5.97	268,008	1,764	6.58	(.61)	(9.3)	935,871	784,677	1.82	2.25	(.43)	(19.1)	3.82	
North York	527,564	1,916	3.63	425,016	2,534	5.96	(2.33)	(39.1)	1,453,493	1,074,893	1.32	2.36	(1.04)	(44.1)	8.81	
Scarborough	362,005	3,535	9.76	281,454	2,853	10.13	(.37)	(3.7)	743,373	582,027	4.75	4.90	(.15)	(3.1)	(.61)	
York	142,297	915	6.43	140,275	542	3.86	2.57	66.6	297,043	277,099	3.08	1.96	1.12	57.1	11.43	
	2,099,675	11,683	5.56	1,898,638	11,079	5.84	(.28)	(4.8)	6,050,134	5,087,623	1.93	2.18	(.25)	(11.5)	(2.29)	

Table 12.5

12.1.5 COMPARISON OF GARBAGE COLLECTION EXPENDITURES

Table 12.6 shows per capita expenditure on garbage collection in 1973 ranged from \$8.53 in East York to \$6.45 in North York. Differences in expenditure can probably be explained by the level of service and the nature of the dwellings to be served (single family or high rise). The most dramatic increase in per capita costs was in East York at 43.3%.* Expenditures per \$1,000 assessment showed a similar pattern to per capita costs except the City held expenditures to approximately \$2.45 in both years.

The high component of personnel costs in this service indicates that expenditures will grow in almost direct proportion to wage increases. Garbage disposal is a Metropolitan Toronto responsibility and the cost of disposal sites and incinerators is reflected in the Metro budget.

- * Subsequent information revealed that 1968 figures were on a net cost basis and 1969 to 1973 on a gross cost basis. As a result the per capita cost for 1973 is 5.93 compared to 1968 of 5.95 and therefore no increase in per capita costs from 1968 to 1973.

COMPARISON OF GARBAGE COLLECTION

(expenditure expressed in thousands of dollars)

	Expenditure in thousands of dollars										Expenditure per \$1000 of Assessment 1973	Assessment 1968 \$	Increase per \$1000 of Assessment 1968 \$	Average of P.A. %
	1973			1968			Assessment		Increase Per Capita \$	Per Capita \$				
	Population	Expen- diture \$	Per Capita \$	Population	Expen- diture \$	Per Capita \$	1973 \$	1968 \$						
Toronto	676,363	5,731	8.47	685,655	5,217	7.61	1.13	14.8	2,354,064	2,125,299	2.43	2.45 (.02)	.8	.16
East York *	105,340	899	8.53	98,230	585	5.95	2.58	43.3	266,290	243,628	3.38	2.40	.98	40.8 8.16
Etobicoke	286,106	2,226	7.78	268,008	1,787	6.67	1.11	16.6	935,871	784,677	2.38	2.28	.10	4.4 .88
North York	527,564	3,401	6.45	425,016	2,384	5.61	.84	15.0	1,453,493	1,074,893	2.34	2.22	.12	5.4 1.08
Scarborough	362,005	2,515	6.94	281,454	1,658	5.89	1.05	17.8	743,373	582,027	3.38	2.85	.53	18.6 3.71
York	142,297	984	6.91	140,275	963	6.86	.05	0.7	297,043	277,099	3.31	3.47 (.16)	(4.6)	(.92)
	2,099,675	15,756	7.50	1,898,638	12,594	6.63	.87	13.1	6,050,134	5,087,623	2.60	2.47	.13	5.3 1.06

* see note in page 99

Table 12.6

12.1.6 COMPARISON OF PUBLIC HEALTH SERVICES EXPENDITURES *

Delivery of Public Health Services in Metropolitan Toronto now is carried out under the direction of five Boards of Health and one Health Unit (East York). The Boards are established under the Public Health Act of the Province. The analysis of public health expenditures is based on gross expenditures by the Public Health Boards but does not include support of hospitals by the municipalities.

Table 12.7 shows per capita expenditures on Health Services in 1973 ranged from \$9.46 in the City of Toronto to a low of \$4.40 in Scarborough. It is interesting to note the contrasting expenditures in the two inner Boroughs; York spending \$7.18 per capita and East York spending \$4.94. Per capita spending on Health Services in the period 1968 increased 103.7% in Etobicoke and approximately 25% in York and East York. Expenditure per \$1,000 of assessment in 1973 ranged from a high of \$3.44 in York to a low of \$1.53 in Etobicoke. Etobicoke had the highest increase, 82.1%, while York had a growth of 18.6% between 1968 and 1973. Obviously public health needs vary between a fast growing suburb, an inner city neighbourhood and the downtown core. The widely varied per capita expenditure indicates differing levels of Public Health Services and needs depending on the area of Metropolitan Toronto to be served.

The introduction of hospital insurance in 1959 reduced Metropolitan Toronto and area municipalities health expenditures by eliminating responsibility for hospitalization costs of indigent patients. Implementation of the provincial health insurance scheme has also helped to ease the burden on the municipalities for health services. In 1964 Metropolitan Toronto assumed the municipal share of the cost of mandatory welfare services.

* For further information see:

Mary Collins Consultants Ltd. and Community Social Planning Associates, Social Policy in Metropolitan Toronto, The Royal Commission on Metropolitan Toronto, 1975.

Table 12.8 shows that in 1973 public health expenditures in Metropolitan Toronto totalled \$13,779,000. This represents 14.6% of the expenditure on health, social and family, and ambulance services. The provincial subsidy for public health in 1973 was \$3,031,000 or 22% of total expenditures. Under the Public Health Act up to 75% of the public health expenditures will be subsidized by the province if a district health unit is formed. Theoretically then almost \$7.5 million in additional subsidies is available to the Metropolitan Toronto area. In practice, the amount could be much less because of various conditions on the grant including the condition that a programme must be Metro wide to be eligible for subsidy.

Since the potential additional dollars involved are a relatively small percentage of the total dollars spent on health and social services (\$94 million) their effect on the services to the citizens would not be appreciable. The main consideration therefore in the public health area must be on the most effective means of delivering the service to the users. The method of financing the service then can be considered as part of the total municipal financing problem.

COMPARISON OF PUBLIC HEALTH EXPENDITURES

(expenditure expressed in thousands of dollars)

	1973		1968		1968-1973		Expenditure per \$1,000 of assessment		Increase per \$1,000 of assessment		Average P.A.%				
	Popu- lation	Expend- iture \$	Per capita \$	Popu- lation	Expend- iture \$	Per capita \$	1973 \$	1967 \$	1973 \$	1968 \$					
												Assessment	%		
Toronto	676,363	6,399	9.46	685,655	4,644	6.77	2,69	39.7	2,354,064	2,125,299	2.72	2.18	.54	24.7	4.9
East York	105,340	520	4.94	98,230	386	3.93	1.01	25.7	266,290	243,628	1.95	1.58	.37	23.4	4.7
Etobicoke	286,106	1,433	5.01	268,008	659	2.46	2.55	103.7	935,871	784,677	1.53	.84	.69	82.1	16.4
North York	527,564	2,813	5.33	425,016	1,243	2.92	2.41	82.5	1,453,493	1,074,893	1.93	1.16	.77	66.4	13.3
Scarborough	362,005	1,593	4.40	281,454	866	3.08	1.32	42.9	743,373	582,027	2.14	1.49	.65	43.6	8.7
York	142,297	1,021	7.18	140,275	804	5.79	1.44	25.3	297,043	277,099	3.44	2.90	.54	18.6	3.7
	2,099,675	13,779	6.56	1,898,638	8,602	4.53	2.03	44.8	6,050,134	5,087,623	2.28	1.69	.59	34.9	7.0

Table 12.7

PUBLIC HEALTH

REVENUES AND EXPENDITURES

(expressed in thousands of dollars)

	Percentage of Expenditure	1973 \$	1972 \$	1971 \$	1970 \$	1969 \$	1968 \$	1967 \$
TORONTO								
Gross expenditure		6,399	6,001	5,652	5,059	4,800	4,644	4,113
Provincial subsidy	23%	1,514	1,433	1,353	1,411	1,089	998	959
Other revenue - Federal			19	5	5	79	137	110
Net municipal expenditure	77%	4,885	4,549	4,294	3,643	3,632	3,509	3,044
EAST YORK								
Gross expenditure		520	520	547	464	398	386	345
Provincial subsidy	23%	121	118	121	109	88	90	80
Other revenue - Federal						3	12	16
Net municipal expenditure	77%	399	402	426	355	307	284	249
ETOBICOKE								
Gross expenditure		1,433	1,252	1,044	864	747	659	539
Provincial subsidy	20%	284	234	217	202	189	168	98
Net municipal expenditure	80%	1,149	1,018	827	662	558	491	441
NORTH YORK								
Gross expenditure		2,813	2,509	1,958	1,607	1,410	1,243	
Provincial subsidy	19%	542	509	441	345	309	266	
Net municipal expenditure	81%	2,271	2,000	1,517	1,262	1,101	977	

Table 12.8

REVENUES AND EXPENDITURES

(expressed in thousands of dollars)

	1973	1972	1971	1970	1969	1968	1967
	\$	\$	\$	\$	\$	\$	\$
SCARBOROUGH							
Gross expenditure	1,593	1,425	1,173	1,158	1,013	866	934
Provincial subsidy	379	329	303	261	265	261	196
Other revenue - Federal	<u>38</u>	<u>30</u>	<u>26</u>	<u>15</u>	<u>6</u>		
Net municipal expenditure	1,176	1,066	844	882	742	605	738
77%							
YORK							
Gross expenditure	1,021	926	828	759	692	804	528
Provincial subsidy	191	181	174	158	148	123	90
Other revenue - Federal	<u>126</u>	<u>115</u>	<u>99</u>	<u>71</u>	<u>61</u>	<u>57</u>	
81%	704	630	555	530	483	624	938
Total gross expenditures	<u>13,779</u>						
Provincial subsidy	<u>3,031</u>						
22%							

Table 12.8 (cont.)

12.1.7 COMPARISON OF PARKS AND RECREATION EXPENDITURES

Table 12.9 shows per capita expenditures in 1973 for parks and recreation ranged from \$25.95 in Etobicoke to \$15.35 in East York. In the period 1968 to 1973, Scarborough increased per capita expenditures 149.2%, Etobicoke 113.4% and East York 21.9%.

Expenditures per \$1,000 of assessment ranged from \$9.68 in York to \$5.85 in North York. The highest rate of increase was 151% in Scarborough and the lowest rate was 20% in East York. Metropolitan Toronto is responsible for major regional parks, including the Toronto Islands.

COMPARISON OF PARKS AND RECREATION EXPENDITURES
(expenditure expressed in thousands of dollars)

	1973		1968				Assessment		Expenditure		Per \$1000		Increase		Average	
	Population	Expenditure	Population	Expenditure	Per Capita	Per Capita	1973	1968	1973	1968	1973	1968	Per \$1000	Per \$1000	of P.A.	%
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	%	%
Toronto	676,363	14,495	21.43	685,655	10,154	14.81	6.62	44.7	2,354,064	2,125,299	6.16	4.78	1.38	29	5.8	
East York	105,340	1,618	15.35	98,230	1,237	12.59	2.76	21.9	266,290	243,628	6.08	5.08	1.00	20	4.0	
Etobicoke	286,106	7,423	25.95	268,008	3,260	12.16	13.79	113.4	935,871	784,677	7.93	4.15	3.78	91	18.2	
North York	527,564	8,504	16.12	425,016	3,566	8.39	7.73	92.1	1,453,493	1,074,893	5.85	3.32	2.53	76	15.2	
Scarborough	362,005	5,775	15.95	281,454	1,800	6.40	9.55	149.2	743,373	582,027	7.76	3.09	4.67	151	30.2	
York	142,297	2,876	20.25	140,275	1,493	10.66	9.59	89.9	297,043	277,099	9.68	5.38	4.30	80	19.6	
	2,099,675	40,691	19.38	1,898,638	21,510	11.33	8.05	71.1	6,050,134	5,087,623	6.73	4.23	2.50	59	11.8	

Table 12.9

12.1.8 COMPARISON OF NET MUNICIPAL EXPENDITURES ON LIBRARIES

Table 12.10 shows per capita net expenditures on libraries by the area municipalities in 1973 ranged from a high of \$9.05 in North York to a low of \$4.90 in York compared to an area wide average of \$7.32. The highest rate of increase in the years 1968 to 1973 was North York at 85.1% while the lowest rate of increase was 43.6% in the City of Toronto.

Table 12.11 shows the gross revenues and expenditures of the library boards for 1973. On this basis North York still has the highest per capita expenditure and York the lowest if the Metropolitan Toronto Library Board is not considered.

Expenditures per \$1,000 of assessment ranged from a high of \$3.32 in Scarborough to a low of \$1.90 in the City of Toronto. Rates of increase per \$1,000 of assessment were similar to rates of increase of per capita expenditures.

Variances in the amounts spent on operating libraries by the municipalities can be explained by spending caused by growth in the outer boroughs, differing needs and differing programmes. The demand for library services is influenced in part by the level of education the backgrounds and the demographic distribution of the population.

COMPARISON OF NET LIBRARY EXPENDITURES
(expressed in thousands of dollars)

	1973		1968		Expenditure Per \$1000 of Assessment 1973 1968 \$ \$	Increase per \$1000 of Assessment \$ \$	Average of P.A. %								
	Population	Expen- diture \$	Per Capita \$	Per Capita \$				Increase %	Assessment						
									1973 \$	1968 \$					
Toronto	676,363	4,477	6.62	685,655	3,163	4.61	2.01	43.6	2,354,064	2,125,299	1.90	1.49	.41	28	5.6
East York	105,340	601	5.71	98,230	329	3.35	2.36	70.4	266,290	243,628	2.26	1.35	.91	67	13.4
Etobicoke	286,106	2,348	8.21	268,008	1,404	5.24	2.97	56.7	935,871	784,677	2.51	1.79	.72	40	8.0
North York	527,564	4,775	9.05	425,016	2,077	4.89	4.16	85.1	1,453,493	1,074,893	3.29	1.93	1.26	65	13.0
Scarborough	362,005	2,467	6.81	281,454	1,333	4.74	2.07	43.7	743,373	582,027	3.32	2.29	1.03	45	9.0
York	142,297	696	4.90	140,275	386	2.76	2.14	77.5	297,043	277,099	2.34	1.39	.95	68	13.6
	2,099,675	15,364	7.32	1,898,638	8,692	4.58	2.74	59.8	6,050,134	5,087,623	2.54	1.71	.83	49	9.8

Table 12.10

LIBRARY BOARDS

REVENUE AND EXPENDITURE ANALYSIS

1973

(expressed in thousands of dollars except per capita)

	Metropolitan Toronto \$	City of Toronto \$	East York \$	Etobicoke \$	North York \$	Scarborough \$	York \$
Revenue							
Grant from municipality	3,519	4,476	601	2,328	4,772	2,467	696
Grant from province	847	963	66	379	695	439	192
Other income	<u>94</u>	<u>255</u>	<u>36</u>	<u>67</u>	<u>158</u>	<u>102</u>	<u>18</u>
	4,460	5,694	703	2,774	5,625	3,008	906
Expenditure							
Salaries and benefits	2,820	3,698	385	1,724	3,081	2,025	553
Books and operating expenses	1,405	1,454	247	783	845	643	239
Debenture charges	209	411	55	198	441	324	67
Capital out of revenue	<u>63</u>	<u>109</u>	<u>17</u>	<u>46</u>	<u>1,085</u>	<u>19</u>	<u>15</u>
	4,497	5,672	704	2,751	5,452	3,011	874
Excess of revenue over expenditure	<u>(37)</u>	<u>22</u>	<u>(1)</u>	<u>23</u>	<u>173</u>	<u>(3)</u>	<u>32</u>
Population in municipality	2,099,673	676,363	105,340	286,106	527,564	362,005	142,297
Municipal grant per capita	\$ 1.68	\$ 6.62	\$ 5.72	\$ 8.14	\$ 9.05	\$ 6.82	\$ 4.90
Provincial grant per capita	\$.40	\$ 1.42	\$.63	\$ 1.33	\$ 1.32	\$ 1.21	\$ 1.35
Per capita expenditure	\$ 2.14	\$ 8.39	\$ 6.68	\$ 9.62	\$10.33	\$ 8.32	\$ 6.14

Table 12.11

12.1.9 COMPARISON OF COMMUNITY PLANNING AND AND DEVELOPMENT EXPENDITURES

Table 12.12 shows per capita expenditures in 1973 on planning and development ranged from \$6.94 in the City of Toronto to \$1.16 in East York to \$1.13 in North York. The rate of increase for the years 1968 to 1973 was greatest in Scarborough at 182.1% and showed a decline in North York of 25.6%. The decline in North York is explained by a change in accounting in 1972. In the period 1968 to 1971 approximately \$250,000 was charged as unclassified under planning and development. This charge was restated in 1972 resulting in an apparent decrease in expenditures. Direct charges to planning and development have in fact been increasing in North York but at the lowest rate of all the area municipalities.

Expenditures per \$1,000 of assessment ranged from \$1.99 in the City of Toronto to a low of \$.41 in North York. Rates of increase were similar to rates of increase of per capita expenditures.

COMPARISON OF COMMUNITY PLANNING AND DEVELOPMENT
(expenditure expressed in thousands of dollars)

	1973		1968				Assessment		Expenditure		Per \$1000		Increase	
	Population	Expen- diture \$	Per Capita \$	Population	Expen- diture \$	Per Capita \$	1973 \$	1968 \$	Assessment 1973 \$	Assessment 1968 \$	of 1973 \$	Assessment 1968 \$	Per \$1000 of Assessment \$	P.A. % %
Toronto	676,363	4,691	6.94	685,655	2,440	3.56	3.38	94.9	2,354,064	2,125,299	1.99	1.15	.84	73.0 14.6
East York	105,340	122	1.16	98,230	70	.71	.45	63.4	266,290	243,628	.46	.29	.17	58.6 11.7
Etobicoke	286,106	474	1.66	268,008	344	1.28	.38	29.7	935,871	784,677	.51	.44	.07	15.9 3.2
North York	527,564	595	1.13	425,016	645	1.52	(.39)	(25.6)	1,453,493	1,074,893	.41	.60	(.19)	(31.7) (6.3)
Scarborough	362,005	798	2.20	281,454	221	.78	1.42	182.1	743,373	582,027	1.07	.38	.69	181.6 36.3
York	142,297	251	1.76	140,275	159	1.13	.63	55.8	297,043	277,099	.84	.57	.27	47.4 9.5
	2,099,675	6,931	3.30	1,898,638	3,879	2.04	1.26	61.8	6,050,134	5,087,623	1.15	.76	.39	51.3 10.3

Table 12.12

13. EDUCATION

13.1 METROPOLITAN TORONTO SCHOOL BOARD

The Metropolitan Toronto School Board is composed of representatives of each of the six Area Boards of Education. One of the major functions of the Board is to distribute the money available for public school education in Metro on an equitable basis to the Area Boards.

The allocation of money to the Area Boards is based on sixteen budget formulae developed by the Budget Formulae Review Committee of the Metropolitan Toronto School Board. Most of the formulae have been developed over several years except for two which have been added for 1975, the Revenue Budget Formula and the Metric Conversion Budget Formula. The formulae are designed to cover all aspects of spending by the Area Boards to ensure that the educational needs are met equally throughout Metropolitan Toronto.

The sixteen Budget formulae are as follows:

1. Day School Instructional Salary Budget Formula
2. Supervisory and Responsibility Allowances Budget Formula
3. Para-professional Budget Formula
4. Fringe Benefit Budget Formula
5. Special Courses Budget Formula
6. Continuing Adult Education Budget Formula
7. Support Services Budget Formula
8. Supplies, Furniture, Equipment and Rentals Budget Formula
9. Psychological and Pupil Welfare Services Budget Formula
10. Computer Services Budget Formula
11. Plant Operations Budget Formula
12. Community Use of Schools Budget Formula
13. Plant Maintenance and Permanent Improvements Budget Formulae
14. Transportation Budget Formula
15. Revenue Budget Formula
16. Metric Conversion Budget Formula

Some of the factors considered in developing the formulae and in the annual reviews include:

- inner city schools
- declining enrolment
- small school costs
- closing of schools
- shared use of facilities with the Separate School Board
- summer school programs
- sensitivity to factors generating revenue, such as rental of facilities to neighbourhood groups

The two major overall factors influencing the revenue and expenditures of the School Board are the provincial spending ceilings and inflation. In 1973 salaries, wages and fringe benefits for instructional staff represented almost 60% of the budget and total staff salaries, wages and fringe benefits represented almost 75% of expenditures. In 1974 the percentages increased to 69% and 87% respectively.

Preparation of the Metropolitan Toronto School Board budget is initiated by the Area Boards preparing budgets based on the formulae. The Area Boards' budgets are presented to the Metro Board for approval. Because of the formulae there is usually little change in the Area Boards' operating budgets. The formulae have been worked out over a period of years through negotiations between the Metro Board and the Area Boards. It is generally accepted by school board officials that the give and take of negotiation has resulted in equalized educational opportunities throughout Metro. Use of the budget formulae and preparation of a budget for each Board based on the formulae does not interfere with the right of each Area Board to prepare a detailed budget according to its own needs.

The budget formulae have not resulted in equalizing per pupil costs of each Area Board and are not intended ever to achieve such an end. Per pupil costs in the City of Toronto have been the highest since the Metropolitan School Board was formed and will likely continue to be the highest. Although all the Boards have areas designated as 'inner city' most of the 'inner city' schools are located in the City of Toronto. Since an 'inner city' index is considered in the formulae this is just one factor contributing to the higher cost of education in the City.

13.2 ANALYSIS OF METROPOLITAN TORONTO SCHOOL BOARD REVENUE AND EXPENDITURE

The revenue and expenditure figures for 1969 to 1973 for both elementary and secondary schools under the Metropolitan School Board are characterized by a relatively stable property tax base, increasing provincial government grants and increasing costs of instruction and plant operation. The figures for 1967 and 1968 were not available in a format which could provide meaningful comparisons with the later years.

In the period 1969 to 1973 elementary school revenue per pupil increased by 32.4% composed mainly of a 73% increase in provincial grants. Tax revenue increased by 19.7%. Revenue per pupil for secondary school purposes increased by 31.6% including provincial grants at a rate of 104.7% and tax revenue at 9.8%.

Expenditures per pupil in the elementary schools increased by 28.8% from 1969 to 1973. The increases were led by the cost of instruction at 37.7% and plant operation 46.2%. The cost per pupil for administration and plant maintenance declined 1.4% and 11.5% respectively. Table 13.1 is a summary of revenue and expenditure for elementary public schools for 1969 to 1973.

Expenditures per pupil in the secondary schools increased by 28.1% from 1969 to 1973. The highest rate of increase was for administration at 46.8% followed by plant operation at 41.4% and instruction at 35.2%. Table 13.2 is a summary of revenue and expenditure for secondary schools for 1969 to 1973.

The increases in both instruction and plant operation expenditures are directly attributable to increased salaries and wages for management, teachers and operations staff. Since the total salary and wage bill reached 87% of the total expenditures for public school education in 1974 further increases in the cost of education will be almost directly related to increases in salaries, wages and fringe benefits.

METROPOLITAN TORONTO SCHOOL BOARD

SUMMARY OF REVENUE AND EXPENDITURE

FOR ELEMENTARY SCHOOLS

(expressed in thousands of dollars, except per pupil)

	1973 \$	Per Pupil	1972 \$	Per Pupil	1971 \$	Per Pupil	1970 \$	Per Pupil	1969 \$	Per Pupil	Increase 1969 - 1973 Per Pupil	Average % P.A.
REVENUE												
Taxes	176,999	736.34	179,988	726.60	164,727	654.38	170,145	673.63	153,633	615.02	121.32	19.7
Government grants	77,722	323.34	76,425	308.52	69,844	277.46	51,771	204.97	46,692	186.92	136.42	73.0
Miscellaneous revenue	3,660		4,180		2,659		4,488		4,000			18.2
Provincial loan	1,952											
Total	<u>260,333</u>	<u>1,083.03</u>	<u>260,593</u>	<u>1,052.00</u>	<u>237,230</u>	<u>942.40</u>	<u>226,404</u>	<u>896.37</u>	<u>204,325</u>	<u>817.94</u>	<u>265.09</u>	<u>32.4%</u>
												<u>8.1%</u>
EXPENDITURE												
Administration	5,499	22.88	5,785	23.35	6,430	25.54	6,625	26.22	5,798	23.21	(.33)	(1.4)
Computer services	1,008		1,144		1,221		1,203		1,083			
Instruction	156,125	649.51	152,027	613.72	140,496	558.12	132,563	524.84	117,787	471.52	177.99	37.7
Educational services	7,430		8,223		8,459		8,633		7,020			9.4
Attendance, health and food	1,330		1,355		1,242		1,284		1,167			
Plant operation	25,909	107.79	24,380	98.42	22,955	91.19	20,976	83.05	18,413	73.71	34.08	46.2
Plant maintenance	10,549	43.89	11,826	47.74	12,529	49.77	13,526	53.55	12,382	49.57	(5.68)	(11.5)
Transportation	2,890		2,871		2,561		2,553		2,306			
Tuition fees	102		75		79		50		24			
Capital expenditure	8,164		9,777		9,118		8,900		9,098			
Other operating expenditure	1,674		2,570		708		690		690			
Debt charges	29,648		29,156		27,837		27,445		24,280			
Non-operating expenditure	2,840		6,889		6,579		5,071		4,277			
Total	<u>253,168</u>	<u>1,053.23</u>	<u>256,078</u>	<u>1,033.77</u>	<u>240,214</u>	<u>954.25</u>	<u>229,519</u>	<u>908.71</u>	<u>204,325</u>	<u>817.94</u>	<u>235.29</u>	<u>28.8%</u>
												<u>7.2%</u>
NUMBER OF PUPILS	<u>240,374</u>		<u>247,713</u>		<u>251,730</u>		<u>252,578</u>		<u>249,803</u>			

Notes: 1. Number of pupils is based on average daily attendance
2. Revenue does not include surplus carried forward from previous years

Table 13.1

METROPOLITAN TORONTO SCHOOL BOARD

SUMMARY OF REVENUE AND EXPENDITURE

FOR SECONDARY SCHOOLS

(expressed in thousands of dollars, except per pupil)

	1973	Per Pupil	1972	Per Pupil	1971	Per Pupil	1970	Per Pupil	1969		Increase 1969 - 1973
	\$		\$		\$		\$		\$	Pupil	Per Pupil
REVENUE											Average % P.A.
Taxes	137,875	1,018.27	138,277	1,032.95	120,495	916.44	121,937	967.04	118,825	927.61	9.8
Government grants	80,332	593.29	76,798	573.69	70,595	536.92	48,650	385.83	37,125	289.82	104.7
Miscellaneous revenue	5,129		4,797		4,061		4,870		4,630		26.2
Total	223,336	1,649.44	219,872	1,642.48	195,151	1,484.24	175,457	1,391.49	160,580	1,253.57	31.6
EXPENDITURE											7.9
Administration	4,806	35.49	4,851	36.24	3,620	27.53	3,574	28.34	3,097	24.18	46.8
Computer services	1,212		1,110		895		802		761		11.7
Instruction	143,245	1,057.93	137,462	1,026.86	124,873	949.73	113,400	899.34	100,269	782.75	35.2
Educational services	5,421		5,575		5,477		5,393		4,376		8.8
Attendance, health and food	2,114		2,001		2,119		2,308		2,250		
Plant operation	22,432	165.67	20,751	155.01	19,024	144.69	17,124	135.80	15,007	117.15	41.4
Plant maintenance	8,534	63.03	8,926	66.68	9,060	68.91	8,484	67.28	6,892	53.80	17.2
Transportation	1,478		1,493		1,389		1,219		765		4.3
Tuition fees	16		8		5		7		3		
Capital expenditure	9,600		10,384		11,040		11,057		10,524		
Other operating expenditure	788		1,544		304		309		273		
Debt charges	15,611		15,464		14,984		14,747		13,277		
Non-operating expenditure	2,115		4,810		4,458		3,604		3,086		
Total	217,372	1,605.39	214,379	1,601.44	197,248	1,500.19	182,027	1,443.59	160,580	1,253.57	28.1%
											7.0%
NUMBER OF PUPILS	135,401		133,866		131,482		126,093		128,098		

Notes: 1. Number of pupils is based on average daily attendance

2. Revenue does not include surplus carried forward from previous years

3. 1969 figures do not include costs for trainable retarded students. Net expenditure was approximately \$200,000 (.12%)

Table 13.2

13.3 METROPOLITAN SEPARATE SCHOOL BOARD

The Roman Catholic elementary and secondary schools in the Metropolitan area are under the jurisdiction of the Metropolitan Separate School Board, which is independent of both the Metropolitan Council and the Metropolitan Toronto School Board. The Separate School Board, however, sends three representatives to the Metropolitan Toronto School Board because the majority of the Roman Catholic secondary school students attend public secondary schools.

The Metropolitan Corporation has responsibility for the debenture debt of the Metropolitan Toronto School Board but not the debt of the Separate School Board. Both Boards however sell their debentures to The Ontario Education Capital Aid Corporation, a provincial agency.

Provincial government grants to the Metropolitan Separate School Board have increased from 68.1% of total revenues in 1967 to 73.7% in 1973. Conversely, Separate School taxpayers were paying 31.9% of the Board's revenue in 1967 and paid 24.2% in 1973. On a per pupil basis the Province contributed \$363.15 in 1967 compared to \$631.41 in 1973, an increase of 74% or an average of 12% per annum.

Expenditures for instructional salaries were 48.5% of the total expenditures in 1967 at \$15 million and 62% in 1973 at \$44 million. Instructional salaries per pupil rose from \$257.24 in 1967 compared to \$557.09 in 1973, an increase of 117% or an average annual increase of nearly 20%. Table 13.3 is a summary of revenue and expenditure of the Separate School Board. Table 13.4 is a summary of per pupil revenue and expenditure.

The 1974 budget shows expenditures increased by 12% over 1973 while provincial grants rose 15%. Fixed costs of salaries, fringe benefits and utilities represented 89% of the Board's operating expenditures in 1974. The Separate School Board's expenditures will react in a similar manner to the Metro Board's expenditures in the future in that the rate of increase will be almost directly related to increase in salaries and wages.

The separate school mill rates are the same throughout Metro since there is only one tier of operation at the Metro level. The residential mill rates from 1967 to 1974 were as follows:

Separate School Rate

1974	28.53
1973	27.81
1972	29.11
1971	28.15
1970	32.10
1969	27.98
1968	26.67
1967	25.02

Since 1967 the increase has been 3.51 mills or 14%, an average increase of 2% per year. Both public and separate school taxpayers have been protected to a large extent from the increased costs of education in the past few years by Provincial Government grants. It is highly unlikely that the grants can continue to increase at the rate of the past few years. Metropolitan Toronto property taxpayers will then be faced with increased mill rates for education purposes.

METROPOLITAN SEPARATE SCHOOL BOARD

SUMMARY OF REVENUE AND EXPENDITURE
FOR THE SEVEN YEAR PERIOD ENDED

DECEMBER 31, 1973

(expressed in thousands of dollars)

	1973	1972	1971	1970	1969	1968	1967
	\$	\$	\$	\$	\$	\$	\$
Revenue							
Taxes	16,529	16,121	14,676	15,683	13,058	11,231	10,126
Government grants	50,469	47,358	40,954	34,343	30,302	28,521	22,282
Proceeds from sale of sites		761	3,615	252	231	580	68.1
Miscellaneous revenue	1,467	1,201	711	731	1,050	718	309
Transfer from reserve for acquisition of sites							
Surplus from previous year							
Expenditure							
Instructional salaries	68,465	65,441	59,956	51,469	45,637	41,296	32,725
Instructional supplies	44,529	38,895	33,795	29,005	24,893	20,192	15,755
and expenses							
Administration	3,483	2,845	2,718	2,978	2,663	2,488	1,781
General expenses	1,810	1,616	1,442	1,331	1,113	932	719
Plant operation	423	358	1,176	977	869	479	358
Plant maintenance	6,630	5,745	4,618	3,974	3,266	2,753	2,009
Auxiliary expenditures	2,328	1,718	1,536	1,250	1,199	1,066	1,150
Transportation	947	753	902	762	615	404	233
Debt charges	1,526	1,212	630	585	486	318	192
Capital expenditures	4,708	4,398	4,275	3,651	3,272	2,740	2,239
	3,829	5,897	5,089	4,874	6,570	6,758	6,765
Transfer to reserves	70,213	63,437	56,181	49,387	44,946	38,130	31,201
Acquisition of sites							
Working capital	990		3,615	252	231	580	7
Capital acquisition	758	2,004	160	1,830		1,626	1,271
Surplus	68,465	65,441	59,956	51,469	45,177	40,336	32,479
					460	960	246

Table 13.3

METROPOLITAN SEPARATE SCHOOL BOARD

SUMMARY OF REVENUES AND EXPENDITURES PER PUPIL

FOR THE SEVEN YEAR PERIOD ENDED DECEMBER 31, 1973

	1973	1972	1971	1970	1969	1968	1967
	\$	\$	\$	\$	\$	\$	\$
Revenue per Pupil							
Taxes	\$ 206.79	\$ 208.90	\$ 198.50	\$ 222.09	\$ 189.36	\$ 172.74	\$ 165.01
Government grants	631.41	613.68	553.93	486.33	439.45	438.69	363.15
Proceeds from sale of sites		9.86	48.90	3.57	3.35	8.92	.11
Miscellaneous revenue	18.35	15.56	9.62	10.35	15.23	11.05	5.51
Transfer from reserve for acquisition of sites							
Surplus from previous year	<u>856.55</u>	<u>848.00</u>	<u>810.95</u>	<u>6.51</u>	<u>14.45</u>	<u>3.78</u>	<u>533.78</u>
Expenditure per Pupil							
Instructional salaries	557.09	504.01	457.11	410.74	361.01	310.57	257.24
Instructional supplies and expenses	43.58	36.87	36.76	42.17	38.62	38.26	29.03
Administration	22.64	20.94	19.50	18.85	16.13	14.33	10.93
General expenses	5.29	4.64	15.91	13.84	12.61	7.37	5.86
Plant operation	82.95	74.45	62.46	56.28	47.36	42.35	32.73
Plant maintenance	29.13	22.26	20.78	17.70	17.39	16.40	18.74
Auxiliary expenditures	11.85	9.76	12.20	10.79	8.92	6.22	4.56
Transportation	19.09	15.70	8.52	8.28	7.05	4.89	3.13
Debt charges	58.90	56.99	57.82	51.70	47.44	42.15	36.49
Capital expenditures	<u>47.90</u>	<u>76.42</u>	<u>68.83</u>	<u>69.02</u>	<u>95.29</u>	<u>103.95</u>	<u>110.25</u>
	878.42	822.04	759.89	699.37	651.82	586.49	508.96
Transfer to reserves							
Acquisition of sites		9.86	48.90	3.57	3.35	8.92	.11
Working capital			2.16	25.91		25.00	20.71
Capital acquisition		<u>16.10</u>					
	878.42	848.00	810.95	728.85	655.17	620.41	529.78
Surplus	<u>79,931</u>	<u>77,170</u>	<u>73,933</u>	<u>70,616</u>	<u>68,955</u>	<u>65,015</u>	<u>61,362</u>
Average daily enrolment							

Table 13.4

14. TORONTO TRANSIT COMMISSION

The Toronto Transit Commission is appointed by the Metropolitan Council and has exclusive power to provide public transportation in the Metropolitan Toronto area. The Commission also operates Gray Coach Lines, Limited.

The Municipality of Metropolitan Toronto Act empowers the Metropolitan Corporation to contribute to the cost of operating the transportation system. Beginning in 1971 Metropolitan Toronto assumed responsibility for the T.T.C.'s operating deficit and the Province of Ontario has assumed 50% of that deficit. The province also subsidizes capital asset expenditures to the extent of 75% of all rapid transit construction except for contracts before December 1, 1972, which are subsidized at 50%. Metropolitan Toronto has assumed responsibility for all rapid transit construction costs on new lines for which it has a 2 mill levy on the Metropolitan tax rate. Table 14.1 shows the Metropolitan Toronto contributions towards operations and construction for the Toronto Transit Commission for the years 1967 to 1973 and an estimate for 1974.

In January 1973 a single system-wide fare system was established to replace the two-zone fare system. This change resulted in a decrease in passenger revenue in 1973 compared to 1972. The change was made by the Commission to encourage use of public transportation and eliminate inequities inherent in the two-zone system.

A comparison of revenue and expenditure per 'revenue mile' from 1967 to 1973 in table 14.2 clearly shows the cause of increased deficits in the T.T.C. operation. While revenues increased by an average of 1.2% per year from 1967 to 1973, expenditures increased in total by an average of 6% per year. Wages, salaries and benefits represented 73% of total expenditure in 1973 which indicates the impact of labour costs on the rapidly accelerating expense of providing transit services.

Net loss on operations of the T.T.C. was \$17,866,000 in 1973 and is expected to reach \$34,750,000 in 1974. Estimated loss budgeted for 1975 with no fare increase is projected at \$56,739,000. The fare increase to 40¢ or 3 tickets for \$1.00 is expected to reduce the 1975 loss to approximately \$40 million which is expected to be picked up 50% by Metropolitan Toronto and 50% by the province. It should be

noted that the difference between the payment to the T.T.C. by Metropolitan Toronto for the 1973 deficit and the actual deficit was refunded to Metropolitan Toronto in 1974.

In 1973 Metropolitan Toronto's share of subways under construction was \$23,338,000 towards which the province contributed \$14,682,922. In addition the province contributed \$5,200,187 towards expenditures on surface assets in 1973. Approximately 87.5% of all capital additions in 1973 were paid for by Metropolitan Toronto and the Province of Ontario.

The following are operating statistics for 1973 and 1967:

	1973	1967
Passengers carried (fare collected)	329,027,000	314,413,486
Miles operated	80,144,491	63,288,093
Streetcars	393	675
Buses	1,097	939
Trolley buses	152	153
Subway cars	410	334

From 1967 to 1973 there is a marked shift from street cars to buses and subway cars. The statistic on fares collected is not directly comparable because of elimination of the two-fare system in 1973 but it still indicates a significant increase in actual passengers carried.

14.1 GRAY COACH LINES, LIMITED

Gray Coach Lines, Limited is a subsidiary of the Toronto Transit Commission, providing bus services to points outside of Metropolitan Toronto including Hamilton, Oshawa and Newmarket and on five regular interurban routes. The Company also operates buses for the Go Transit System. Chartered service is provided within and beyond provincial boundaries.

The Company is operated as a separate transportation facility by the Toronto Transit Commission. As a limited company it pays Ontario income taxes on earnings. In 1973 the Company earned profits of \$1,068,111 after taxes and paid a dividend to the Toronto Transit Commission of \$200,000.

METROPOLITAN TORONTO
PUBLIC TRANSPORTATION ANALYSIS

1967 - 1974

(expressed in thousands of dollars)

	1974 Estimates	1973 Actual	1972	1971	1970	1969	1968	1967
Payments to T.T.C. deficit *	\$ 33,239	\$ 18,177	\$ 7,105	\$ 2,050	\$	\$	\$	\$
Reduced fares for elderly	2,700	2,594	2,892	2,556	484			
Transportation of blind and war amputees	169	169	169	169	169	130	130	80
Debenture debt charges	<u>9,402</u>	<u>9,292</u>	<u>9,182</u>	<u>9,178</u>	<u>8,446</u>	<u>8,459</u>	<u>8,314</u>	<u>8,194</u>
Less: Provincial subsidy	<u>45,510</u> <u>22,628</u>	<u>30,232</u> <u>11,400</u>	<u>19,348</u> <u>8,595</u>	<u>13,953</u> <u>1,025</u>	<u>9,099</u>	<u>8,589</u>	<u>8,444</u>	<u>8,274</u>
Two mill levy for Rapid Transit capital expenditure	22,882	18,832	10,753	12,928				
Total Metropolitan Toronto contribution	<u>13,570</u>	<u>13,017</u>	<u>12,514</u>	<u>12,245</u>	<u>11,574</u>	<u>11,045</u>	<u>10,631</u>	<u>10,216</u>
	\$ <u>36,452</u>	\$ <u>31,849</u>	\$ <u>23,267</u>	\$ <u>25,173</u>	\$ <u>20,673</u>	\$ <u>19,634</u>	\$ <u>19,075</u>	\$ <u>18,490</u>

* 1973 overpayment refunded to Metropolitan Toronto in 1974.

Table 14.1

TORONTO TRANSIT COMMISSION
REVENUE AND EXPENDITURE

1967 - 1973

(expressed in thousands except per mile column)

	1973	Per Mile	1972	Per Mile	1971	Per Mile	1970	Per Mile	1969	Per Mile	1968	Per Mile	1967	Per Mile	Total	Increases 1967-1973 Per Mile	Average
Revenue miles	80,144		74,718		73,396		71,986		72,238		69,744		63,884		16,260		25.0
Special & charter mi.	1,205		1,089		1,022		910		966		928		857				
Revenue mi. (reg.)	78,939		73,629		72,374		71,076		71,272		68,816		62,438		16,501		25.0
FARE CHARGES																	
single zone system																	
REVENUE																	
Passenger fares *	79,811	1.01	81,894	1.11	78,551	1.09	76,998	1.08	75,396	1.06	63,234	.92	59,300	.95	20,511	.06	6.3
Spec. car & charter	2,101		1,730		1,516		1,362		1,394		1,207		1,112				1.1
Advertising	1,071		994		932		842		668		681		728				
Rent	1,587		1,392		1,190		1,067		999		953		939				
Other oper. rev.	414		243		252		243		236		224		232				
Other income	314		416		1,194		1,210		310		457		195				
Total income	85,298	1.06	86,669	1.16	83,635	1.14	81,722	1.14	79,003	1.09	66,756	.96	62,506	.99	22,792	.07	7.1
OPERATING EXPENSES																	1.2
Transport. Dept.	40,613	.51	35,232	.47	32,211	.44	29,054	.40	27,100	.38	25,093	.36	21,200	.34	19,413	.17	50.0
Equipment Dept.	19,387	.24	17,045	.23	15,754	.21	14,440	.20	13,124	.18	12,290	.18	10,631	.17	8,756	.07	41.2
Automotive fuel	3,028 x	.08	2,858	.08	2,519	.07	2,399	.07	2,404	.07	2,189	.07	1,938	.07	1,090	.01	14.3
Plant Dept.	9,613	.12	8,753	.12	8,241	.11	7,522	.10	6,585	.09	5,819	.08	4,941	.08	4,672	.04	50.0
Elec. traction power	4,095 y	.10	3,555	.09	3,344	.09	3,165	.08	2,987	.08	2,655	.07	2,422	.07	1,673	.03	23.3
Pensions & employee costs	6,943	.09	6,530	.09	5,952	.08	4,879	.07	4,503	.06	3,402	.05	2,674	.04	4,269	.05	125.0
Injuries, damages & insurance	1,889	.02	2,032	.03	1,687	.02	1,757	.02	2,230	.03	1,500	.02	1,324	.02	565		
Admin. & general	5,548	.07	4,910	.07	4,808	.07	4,357	.06	4,068	.06	3,617	.05	3,289	.05	2,259	.02	40.0
Major repairs	586	.01	335		615	.01	610	.01	322		308		104		482		
Depreciation	7,011	.09	6,876	.09	6,610	.09	6,748	.09	6,679	.09	6,286	.09	6,191	.10	820		
Taxes & licences	1,466	.02	1,579	.02	1,562	.02	1,548	.02	1,433	.02	1,360	.02	2,154	.03	(688)		
Rent expenses	204		216		169		145		173		182		120		84		
Debtenture interest	2,781	.03	2,922	.04	3,042	.04	3,196	.04	3,358	.05	3,238	.05	3,106	.05	(325)		
	103,164	1.29	92,843	1.24	86,514	1.18	79,820	1.11	74,966	1.04	67,941	.97	60,094	.95	43,076	.34	35.8
NET PROFIT (LOSS)	(17,866)	(.23)	(6,174)	(.08)	(2,879)	(.04)	1,902	.03	4,037	.05	(1,185)	(.01)	2,412	.04			6.0

* The loss was assumed by Metropolitan Toronto of which 50% was contributed by the Province. Included in revenue is the reduced fare subsidy for the elderly and blind and war amputees subsidized by Metropolitan Toronto.

x per bus mile

y per electrically propelled vehicle mile

Table 14.2

15. OTHER SPECIAL PURPOSE BODIES *

A study** done in 1968 puts the number of special purpose bodies under the jurisdiction of Metropolitan Toronto and the area municipalities at 94. This total includes such familiar organizations as the Toronto Transit Commission, the Metropolitan Toronto School Board, the Metropolitan Separate School Board, the area Boards of Education and the area Hydro Commissions. Other lesser known but important organizations on the list include the Metropolitan Board of Commissioners of Police, the Metropolitan Toronto Library Board and the area Library Boards, the area Boards of Health and Planning Boards. Little known special bodies include historical boards, safety councils, various boards of management for arenas and parks and several types of advisory boards.

The special purpose bodies have varying degrees of autonomy from the municipal councils and also varying degrees of dependence on municipal financing. The makeup and size of the special purpose bodies is almost as varied as the number of them.

The method of selecting the members of the special purposes bodies also varies considerably. Some are elected directly, such as the area boards of education. Some are appointed by the municipal council and others are appointed partly by the municipal council and partly by other levels of government.

The capital financing of several of the more important boards and commissions is to some extent controlled by Metropolitan Toronto by virtue of the Corporation's responsibility for issuing debentures. The Metropolitan Toronto School Board, the Toronto Transit Commission and the C.N.E. are three organizations which fall into this category.

The area hydro electric utilities are under the jurisdiction of the area municipalities but they are considered to be self-supporting financially. In any event, the activities of the electric utilities are closely monitored by Ontario Hydro.

* For further information see
Smith, Auld and Associates, The Organization of Local Government in Metropolitan Toronto, The Royal Commission on Metropolitan Toronto, 1975.

** Bureau of Municipal Research, Civic Affairs,
"The 101 Governments of Metro Toronto", Toronto, October, 1968.

The Toronto Transit Commission was considered to be a self supporting municipal enterprise until 1971 when Metropolitan Toronto and the province began to pick up the annual operating deficit. Even prior to 1971 Metropolitan Toronto and the province had been contributing to the capital spending of the T.T.C.

Some boards, such as the boards of health of the area municipalities, have the right under provincial statute to set their own budgets and the municipal council must pay the amount of money requested. Other boards such as the library boards prepare their own budget but only request money from the municipal councils. The municipal councils can either meet the request or modify it as their priorities allow.

Each of the special purposes bodies under the jurisdiction of a municipal council present annual financial statements to the council for approval. Organizations which receive outright grants from the councils do not necessarily submit financial statements.

The commission having the most significance for residents of Metropolitan Toronto both in terms of cost and area wide service, the Toronto Transit Commission, has been dealt with in a separate section of this report. The commissions supplying electric power spend more money in total than the T.T.C. but each operates within its own municipality. Boards of health and school boards are not considered in this analysis of 'special purpose bodies' but are dealt with separately in early chapters.

Table 15.1 shows the operating expenditures for 1973 for each of the special purpose bodies as reported in the 1973 annual reports of the municipalities. These special purpose bodies had gross expenditures of over \$437 million of which almost \$125 million was paid by the municipalities in the form of grants or other transfer payments. In comparison, the municipalities spent \$568 million (including the \$125 million mentioned above) and over \$540 million was spent by The Metropolitan Toronto School Board and The Metropolitan Separate School Board.

Many of the special purpose bodies had an operating surplus for the year 1973, in particular the Hydro Electric Commissions. In addition some of the 'bodies' control substantial capital investments.

Table 15.2 shows revenue and expenditure for 1973 for each of the electrical utilities of the area municipalities. Each of the utilities is in good financial condition and only one lost money in 1973.

Table 15.3 shows revenue and expenditure for each of the years 1967 to 1973 for the Metropolitan Toronto Waterworks. Metropolitan Toronto is responsible for the production, treatment, storage and wholesale distribution of water to the area municipalities. Rates to the area municipality are to be sufficient to make the system self-sustaining. The present rate, which was established in 1967, charged to the area municipalities is 25¢ per thousand gallons.

Table 15.5 shows the operating revenue and expenditure of the Canadian National Exhibition Association for the years 1972 and 1973. Under an agreement between the C.N.E. and Metropolitan Toronto each year's surplus is payable to the Metropolitan Corporation. The Canadian National Exhibition Association is responsible for financing the Exhibition's current operations including normal maintenance of all buildings and structures.

The net income of the C.N.E. for 1973 of \$545 thousand was appropriated to a reserve for rehabilitation and improvements to facilities. The net income for 1972 of \$695 thousand was appropriated to a reserve for rehabilitation of the heating plant. Metropolitan Toronto pays the C.N.E. debenture charges which were \$1,092,065 in 1973 and \$987,329 in 1972.

Table 15.6 shows the balance sheet for The Parking Authority of the City of Toronto for the years 1967 to 1973. The Authority has improved its capital surplus in each of those years to a total of over \$16 million. The cash surplus position has improved from just under \$2 million to over \$9 million.

Table 15.7 shows revenue and expenditure for the Authority for 1967 to 1973. The Authority has shown a profit in each of those years from \$1.011 million in 1967 to \$2.645 million in 1973, an increase of 162%.

BOARDS AND COMMISSIONS

1973 EXPENDITURES

(expressed in thousands of dollars)

	Total gross expenditure	Revenue earned by Board or Commission	Net expenditure or grant by municipality	Operating surplus or (deficit) 1973	Investments held by Board or Commission	
<u>Metropolitan Toronto</u>						
Toronto Transit Commission	\$ 103,164	\$ 85,299	\$ 31,850	\$ (17,866)	\$	Deficit does not allow for municipal grant.
Metropolitan Board of Commissioners of Police	76,736	11,213	65,523			Profit taken into municipal rev.
Metropolitan Licensing Commission	1,032	1,807	(775)			Separate board eliminated in 1975
Metropolitan Toronto Planning Board			1,203			Opened in 1974 (costs for 1974 \$4,143)
Metropolitan Toronto Zoological Society			2,057			Metro pays debenture charges (\$1,092). Surplus retained by CNE for rehabilitation on approval of Metro Council
Canadian National Exhibition	8,018	8,563	1,092	545		
Metropolitan Toronto Library Board						
O'Keefe Centre for the Performing Arts	4,497	941	3,519	(37)		
<u>City of Toronto</u>						
Toronto Public Library Board	5,672	1,218	4,476	22		
Toronto Historical Board	538	169	399	30		
George Bell Arena	141	148		7		
Ted Reeve Arena	143	135		(8)		
North Toronto Memorial Arena	123	132		9		
Forest Hill Memorial Arena	125	120		(5)		
McCormick Park Arena	90	74	16			
William H. Bolton Arena	74	59	15			
Board of Park Management of S.P. of Stanley Park	26	29				
City of Toronto Planning Board	1,643	9	1,634			
Parking Authority of Toronto	4,773	7,418	275	2,645	9,370	
Toronto Arts Foundation	1,117	877	250	35	100	
St. Lawrence Centre for the Arts	424	174	48	26		
Bloor West Village Improvement Area	21	(1)	58	45		
Junction Garden Improvement Area	13			5,545	4,774	
Toronto Hydro Electric System	86,959	92,504				

Table 15.1

BOARDS AND COMMISSIONS

1973 EXPENDITURES

(expressed in thousands of dollars)

	Total gross expenditure	Revenue earned by Board or Commission	Net expenditure or grant by municipality	Operating surplus or (deficit) 1973	Investments held by Board or Commission	
<u>East York</u>	\$ 703	\$ 103	\$ 600	\$	\$	
East York Public Library Board	189	34	155			
Recreation Advisory Board						
Community Centre	179	69	110			
Memorial Arena	172	130		(42)		
Sports Centre	77	49	27	(1)		
Leaside Memorial Community Gardens	86	70	21	5		
Leaside Curling Club	77	50		27		
Hydro Electric Commission of East York	9,097	9,557		460	700	
<u>North York</u>						
North York Public Library Board	5,452	853	4,772	173		
Hydro Electric Commission of North York	46,038	50,456		4,418	4,467	
<u>Eto-Bicoko</u>						
Eto-Bicoko Public Library Board	2,751	446	2,328	23		
Cemetery Board						
Historical Board	3		6	3	6	No income. Expenditures were under thousand.
Lakeshore Business Improvement Area	12		12		6	Balance on hand six thousand.
Hydro Electric Commission	31,691	33,460		1,769	3,040	Balance on hand six thousand.
<u>Scarborough</u>						
Scarborough Public Library Board	3,011	541	2,467	(3)		
Planning Board	581	48	432	(101)		
Hydro Electric Commission	30,616	30,438		(178)	1,875	
<u>York</u>						
York Public Library Board	875	211	696	32		
Norman McEachren Community Centre Board	1		1		5	Expenditures under one thousand.
York Housing Company Limited	67	73		6	53	Limited dividend housing company under C.M.H.C. financing
York Planning Board	231	13	230	12		
Parking Authority of York	80	122		42		
Hydro	9,623	9,871		248	500	The net revenue of 42 thousand was transferred to the municipality's reserve funds

Table 15.1 (cont.)

MUNICIPAL ELECTRICAL UTILITIES

1973

(expressed in thousands of dollars)

	City of Toronto \$	East York \$	Etobicoke \$	North York \$	Scarborough \$	York \$
Revenue						
Sale of energy	90,828 *	9,079	32,178	48,322	29,590	9,396
Other income	<u>1,676</u>	<u>479</u>	<u>1,281</u>	<u>2,134</u>	<u>847</u>	<u>475</u>
	92,504	9,558	33,459	50,456	30,437	9,871
Expenditure						
Electricity purchased	64,772	7,139	26,378	38,543	24,581	7,509
Distribution and transmission	14,225	481	1,801	2,819	1,962	418
Administration and billing		567	1,447	2,198	1,775	1,011
Long term debt charges	1,724	197	788	850	1,130	
Other	1,130	288		31	41	188
Depreciation	<u>5,108</u>	<u>426</u>	<u>1,276</u>	<u>1,597</u>	<u>1,126</u>	<u>497</u>
	86,959	9,098	31,690	46,038	30,615	9,623
Excess of revenue over expenditure	5,545	460	1,769	4,418	(178)	248
Assets						
Current	16,874	1,901	5,640	6,648	5,337	2,503
Fixed	104,773	8,853	39,927	55,486	35,439	10,475
Other	<u>2,110</u>	<u>70</u>	<u>116</u>	<u>2,118</u>	<u>1,421</u>	<u>286</u>
	123,757	10,824	45,683	64,252	42,197	13,264
Liabilities						
Current	7,716	1,086	4,171	6,756	4,278	1,119
Long term debt	1,666	1,475	3,446	3,137	4,768	
Reserves	48,634				12,502	
Surplus	<u>65,741</u>	<u>8,263</u>	<u>38,066</u>	<u>54,361</u>	<u>20,649</u>	<u>12,145</u>
	123,757	10,824	45,683	64,252	42,197	13,264
Number of customers	211,373	32,450	88,305	132,817	82,694	36,385

* includes \$88 million for sale of electric power.

Table 15.2

METROPOLITAN TORONTO

WATERWORKS

(expressed in thousands of dollars)

Years ended December 31

REVENUE

Provincial grants
Sale of water to area municipalities
High pressure fire system
Other

	1973 \$	1972 \$	1971 \$	1970 \$	1969 \$	1968 \$	1967 \$
	276	193	13				
	24,491	23,417	22,665	21,568	21,076	19,933	17,438
	54	54	52	52	51	80	91
	<u>91</u>	<u>79</u>	<u>106</u>	<u>83</u>	<u>136</u>	<u>51</u>	<u>79</u>

EXPENDITURE

Operation and maintenance
Administration
Payments in lieu of taxes
Special items
Premium on purchase of U.S. funds
Sundry
Capital expenditure from current funds
Debenture debt charges

	24,912	23,743	22,836	21,703	21,263	20,064	17,608
	7,917	6,897	6,673	6,052	5,491	5,170	4,656
	686	646	609	558	516	490	478
	2,739	2,821	2,680	2,616	2,359	2,062	1,528
	811	855	633	131	320	156	46
		1	26	79	136	139	148
	644	573	560	458	404	360	335
	25	50	65	50	50	167	20
	<u>11,821</u>	<u>11,893</u>	<u>11,652</u>	<u>11,176</u>	<u>10,687</u>	<u>10,322</u>	<u>9,594</u>
	24,643	23,736	22,898	21,120	19,963	18,866	16,805
Surplus or (deficit)	<u>269</u>	<u>7</u>	<u>(62)</u>	<u>583</u>	<u>1,300</u>	<u>1,198</u>	<u>803</u>

Note:

Under the Metropolitan Toronto Act, the rates for water to be charged to the Area Municipalities must be sufficient to make the system self-sustaining and any surplus must remain at the credit of the system.

Table 15.3

1973

(expressed in thousands of dollars)

	City of Toronto \$	East York \$	Etobicoke \$	North York \$	Scarborough	York
Revenue						
Sale of water	14,301	1,958	5,696	7,654	5,652	2,372
Municipal contribution	2		140	26		
Other revenue	<u>1,057</u>	<u>50</u>	<u>134</u>	<u>1,042</u>	<u>212</u>	<u>159</u>
	15,360	2,008	5,970	8,722	5,864	2,531
Expenditure						
Water supply	10,790	1,053	3,682	4,725	2,985	1,257
Water distribution	2,100	270	690	2,038	1,148	342
Administration	1,411	224	716	442	936	324
Long term debt charges	5	55	317	140	86	
Capital out of revenue	938	45	34	48		256
Other		96	395		43	525 *
Transfer to reserves	<u>497</u>			<u>945</u>	<u>49</u>	<u>5</u>
	15,741	1,743	5,834	8,338	5,247	2,709
Revenue over expenditure	<u>(381)</u>	<u>265</u>	<u>136</u>	<u>384</u>	<u>617</u>	<u>(178)</u>
Accumulated revenues	241	358	532	3,519	4,879	82
Reserves	5,749	32	500	2,580	3,842	92
Accounts receivable own municipality	5,889	423	1,277	4,364		316
Investments, at cost			461		2,100	
Population served	676,363	105,340	286,106	527,564	362,005	142,392
Annual quantity of water distributed (thousands of gallons)	43,157,980	4,257,689	14,727,299	18,899,385	11,938,261	5,027,739
Rate of sale of water per thousand of imperial gallons distributed (note 2)	\$ 0.33	\$ 0.46	\$ 0.38	\$ 0.40	\$ 0.47	\$ 0.47

Notes:

1. Water is supplied at all municipalities by Metropolitan Toronto at a rate sufficient to cover its expenditures. The rate in 1973 was 25¢ per thousand imperial gallons.
2. Rates vary between municipalities. This calculation is merely an arbitrary one dividing revenue from sale of water by amount of water distributed.
3. Some municipalities transfer funds to general municipal revenue accounts and to reserve accounts to use up surplus revenues. There appears to be a variety of policies in this respect. The waterworks are departments of the municipality.

* Transferred to revenue fund

CANADIAN NATIONAL EXHIBITION ASSOCIATION

1972 and 1973 OPERATIONS

(expressed in thousands of dollars)

	1973	1972
Revenue		
Exhibition operations	\$ 6,818	\$ 6,227
Park operations	<u>1,745</u>	<u>1,764</u>
	8,563	7,991
Expenditure		
Exhibition operations	6,279	5,676
Park operations	<u>1,739</u>	<u>1,620</u>
	<u>8,018</u>	<u>7,296</u>
Net income for the year	\$ <u>545</u>	\$ <u>695</u>

Note:

Under agreement between the C.N.E. and Metropolitan Toronto, each year's surplus is payable to Metropolitan Toronto. Application has been made to Metropolitan Toronto to return the 1973 surplus for major repairs to and improvement to physical facilities.

Metropolitan Toronto pays for C.N.E. debenture charges directly (1973 \$1,092).

Source:

Table 15.5

CITY OF TORONTO

THE PARKING AUTHORITY OF TORONTO

BALANCE SHEET

1967 TO 1973

(expressed in thousands of dollars)

	1973	1972	1971	1970	1969	1968	1967
ASSETS							
Cash	9,370	7,764	6,053	5,883	4,248	2,716	1,923
Accounts receivable	49	19	30	23	76	111	86
Prepaid expense	37	25	10	9	16	14	18
Inventory	19	29	30	25	27	20	19
Car parks and fixtures	22,021	20,839	20,871	19,387	19,506	18,236	18,652
Proceeds from sale of debentures	255	242	261	257	243	223	424
Proceeds from sale of property	372	366	181		16	36	56
	<u>32,123</u>	<u>29,284</u>	<u>27,436</u>	<u>25,584</u>	<u>24,132</u>	<u>21,356</u>	<u>21,178</u>
LIABILITIES							
Accounts payable - City of Toronto	940	447	714	745	977	9	345
- Other	116	168	144	285	278	170	94
Deferred revenue	10	16	16	21	6	4	5
Sick credit reserve	209	187	172	138	98	79	67
Debt charge reserve	30	68	107		20	41	63
Current surplus							
Balance previous year	6,951	4,971	4,751	2,988	2,558	1,472	794
Provision for capital expenditure	(1,426)						
Profit for year	2,645	1,980	219	1,764	430	1,086	678
Capital liabilities							
City of Toronto	1	1	1	6	1,805	2,855	3,470
Debenture debt outstanding	6,083	6,964	7,805	8,603	8,181	7,152	7,636
	<u>16,564</u>	<u>14,482</u>	<u>13,507</u>	<u>11,034</u>	<u>9,779</u>	<u>8,488</u>	<u>8,026</u>
Capital surplus							
	<u>\$ 32,123</u>	<u>\$ 29,284</u>	<u>\$ 27,436</u>	<u>\$ 25,584</u>	<u>\$ 24,132</u>	<u>\$ 21,356</u>	<u>\$ 21,178</u>

Table 15.6

CITY OF TORONTO
THE PARKING AUTHORITY OF TORONTO
REVENUE AND EXPENDITURE

1967 - 1973

(expressed in thousands of dollars)

	1973	1972	1971	1970	1969	1968	1967
REVENUE							
Parking revenue	6,741	6,016	5,621	5,325	4,575	3,881	3,837
Sundry revenue	<u>677</u>	<u>413</u>	<u>529</u>	<u>363</u>	<u>275</u>	<u>189</u>	<u>114</u>
	7,418	6,429	6,150	5,688	4,850	4,070	3,951
EXPENDITURE							
Parking area expenses	3,694	3,740	3,466	3,040	2,900	2,308	2,171
Administration expenses	678	490	471	405	392	366	318
Debt charges (note 1)	<u>401</u>	<u>57</u>	<u>543</u>	<u>387</u>	<u>330</u>	<u>305</u>	<u>451</u>
	4,773	4,287	4,480	3,832	3,622	2,979	2,940
	<u>2,645</u>	<u>2,142</u>	<u>1,670</u>	<u>1,856</u>	<u>1,228</u>	<u>1,091</u>	<u>1,011</u>
PROFIT FOR THE YEAR							
Note 1 - Debt charges on debentures were met by -							
Charge to Parking Authority	391	57	543	387	330	305	451
Charge to On Street Parking reserve (note 2)	<u>850</u>	<u>1,204</u>	<u>735</u>	<u>800</u>	<u>736</u>	<u>776</u>	<u>618</u>
	1,241	1,261	1,278	1,187	1,066	1,081	1,069
Note 2 - On Street Parking reserve is a reserve from the City of Toronto with details as follows:							
Balance, beginning of year	351	575	379	200	114	76	
Proceeds, sale of car park lands		193	181				
Contribution from revenue funds	32	75	64	88	28	28	
Interest on investments	36	28	10	13	7	6	6
Surplus on operations of parking meters	831	866	856	831	779	773	586
Accrued interest on debentures				14			
Transferred from deferred revenue				20	21	22	22
Other revenue				20	2		68
Levy against benefiting owners							28
	<u>1,250</u>	<u>1,737</u>	<u>1,490</u>	<u>1,186</u>	<u>951</u>	<u>905</u>	<u>710</u>
Debtenture debt charges	850	1,204	735	800	736	776	618
Transferred to deferred revenue	2	182	178				
U.S. exchange on debenture charges			2	7	15	15	16
	<u>852</u>	<u>1,386</u>	<u>915</u>	<u>807</u>	<u>751</u>	<u>791</u>	<u>634</u>
Balance, end of year	398	351	575	379	200	114	76

Table 15.7

**Background Studies Prepared for
THE ROYAL COMMISSION
ON METROPOLITAN TORONTO**

- **The Organization of Local Government
in Metropolitan Toronto**
- **A Financial Profile of Metropolitan Toronto
and its Constituent Municipalities, 1967 - 1973**
- **The Planning Process in Metropolitan Toronto**
- **The Electoral System for Metropolitan Toronto**
- **Demographic Trends in Metropolitan Toronto**
- **The Provision and Conservation of Housing
in Metropolitan Toronto**
- **Transportation Organization in Metropolitan Toronto**
- **Physical Services, Environmental Protection
and Energy Supply in Metropolitan Toronto**
- **Public Safety Services in Metropolitan Toronto**
- **Social Policy in Metropolitan Toronto**

*Copies of any of the above reports
may be obtained by writing:*

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